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76 Strikers Injured By Rubber Bullets Near Johannesburg

JOHANNESBURG — Police officers and mine security guards fired rubber bullets at 700 black strikers Friday and injured 76, South African mine owners said.

Kiosk Tunisia Blasts Called Warning

TUNIS (AP) — The recent explosions at four tourist resorts in Tunisia were a warning to the country's leaders, Tehran radio said Friday.

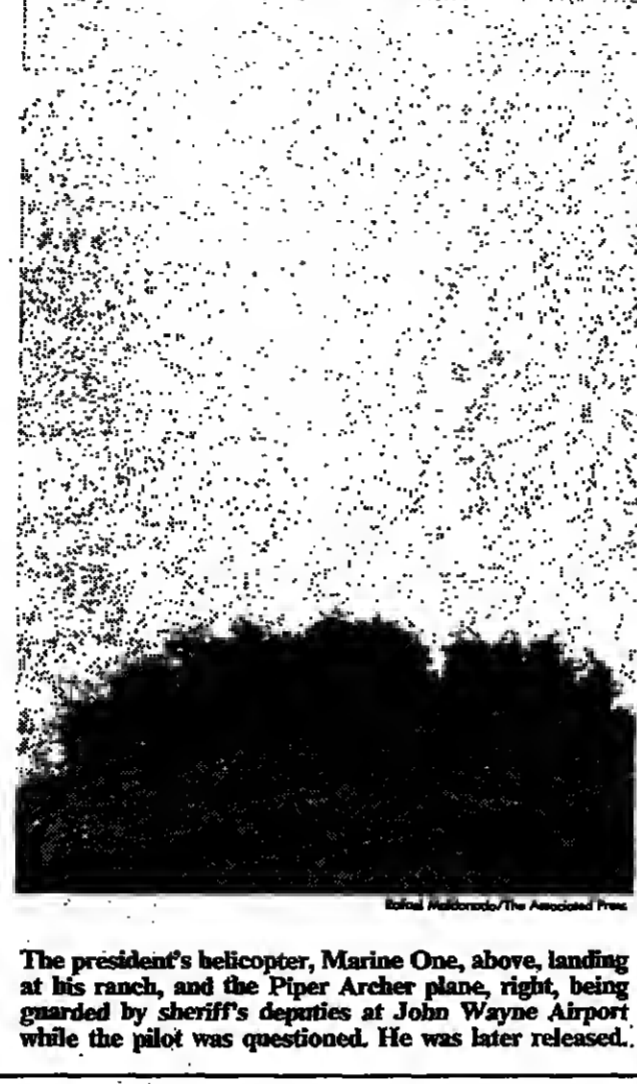


This 15th-century drawing can be seen in the current exhibition at the Royal Academy of Arts in London.

GENERAL NEWS Protesters in South Korea denounce the government over the slow pace of promised reforms.

Managua Links Accord With Halt to U.S. Aid

By Stephen Kinzer New York Times Service MANAGUA — Nicaragua's vice president says the Sandinist government is ready to restore full press and political freedoms, but only if the United States ceases to aid the Nicaraguan rebels.



The president's helicopter, Marine One, above, landing at his ranch, and the Piper Archer plane, right, being guarded by sheriff's deputies at John Wayne Airport while the pilot was questioned.

Reagan in a Helicopter Scare Agents Chase Small Plane After Close Call

By Lou Cannon Washington Post Service SANTA BARBARA, California — A small plane was involved in a near-collision with the helicopter carrying President Ronald Reagan to his ranch north of here, White House officials said.



The Piper Archer pilot was taken into custody after the plane landed there, according to Don Adams, a supervisor at John Wayne Airport.

Angola, Admitting Hunger Crisis, Asks Urgent Aid

By Blaine Harden Washington Post Service LUANDA, Angola — In a candid disclosure of widespread urban food and governmental failure to induce farmers to sell surplus food, the government has prepared its largest-ever request for international emergency assistance.

India Broods at Age 40 Independence Day Points Up Despair As Problems Seem to Eclipse Progress

By Steven R. Weisman New York Times Service NEW DELHI — Forty years ago, Prime Minister Jawaharlal Nehru unfurled the flag of a new nation and spoke with hope of its "tryst with destiny."



Prime Minister Rajiv Gandhi of India with Abdul Wali Khan, center, a Pakistani opposition leader, and his sister, Mehru Taj, right, who accepted India's highest civilian award Friday in New Delhi on behalf of their father, Abdul Ghafoor Khan.

In Shadow of Bombings, Pakistan Marks Anniversary

ISLAMABAD, Pakistan — Two bombs exploded in the provincial city of Peshawar on Friday, killing at least two persons as Pakistan marked the 40th anniversary of its independence.

U.S. Experts Doubt a Heterosexual AIDS Epidemic

By Robert Scheer Los Angeles Times Service ATLANTA — AIDS is not spreading at the anticipated rate among heterosexual Americans who do not use drugs, and officials at the Centers for Disease Control see no evidence that the disease will reach epidemic proportions, except among homosexuals and intravenous drug users.

U.S. Gap In Trade Widens

Unexpected Rise In June Sends Dollar Tumbling

WASHINGTON — The U.S. merchandise trade deficit widened to \$15.71 billion in June, largely because of a \$2 billion increase in imports, the government said Friday.

The June deficit before the revision for undercounting was \$16.32 billion. That would have surpassed the previous record monthly deficit of \$16.05 billion, set in July 1986.

In the June figures, the United States once again ran its worst single-country trade deficit with Japan — \$5.35 billion in the month, after \$5.07 billion in May.

BA Places £500 Million Boeing Order

By Warren Gester International Herald Tribune LONDON — British Airways PLC said Friday it had placed a firm order for 11 Boeing 767-300 jetliners with a total value of £500 million (\$789.5 million).

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Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

Reagan: Stubborn, Wrong

President Reagan's promised accounting for the Iran-contra scandal came down to a minute a month. In his speech he glossed over eight months in less than eight minutes before turning the page to the rest of his term. Even now, the most he can bring himself to do before the court of public opinion is to enter a plea of *nolo contendere*, no contest, neither denying guilt nor affirming innocence.

Yes, Mr. Reagan said, he took responsibility. But responsibility for what? He chastised Admiral John Poindexter, the former national security adviser, for keeping the truth from him. "I had the right, the obligation, to make my own decision," Mr. Reagan said. It was left for Senator George Mitchell, a Democrat, to note that the president made the decision to exchange arms for hostages, and did it in writing.

The closest Mr. Reagan came to acknowledging what he did wrong was this: "I was stubborn in my pursuit of a policy that went astray." If he still believes that, he has still not accepted the first lesson of the scandal. Stubborn? Yes. As a result, Mr. Reagan's policy was not a policy; it was a whim. Stubbornness in the execution. The whole idea was wrong from the start. It amounted to a supply-side hostage policy, encouraging terrorist adversaries to kidnap some more Americans whenever they need arms, or concessions.

On its face, Mr. Reagan's accounting seemed too slight and slippery, an effort too glibly to end the chapter and beat the rap. Yet the chapter is not over. The special prosecutor is still to be heard from and the congressional committees' report is coming in October. And Mr. Reagan has not beaten the rap. He is already paying a heavy price in the costly coin of public trust.

If a president has to do anything, everything is possible. Without it, everything becomes an extortion. Mr. Reagan won't face the voters again in an election. But he faces them regularly in public opinion surveys and the results keep flashing a message in neon. A majority of the American people concluded

months ago that the president had lied to them on an important issue, and nothing has shaken that conclusion. Overnight, a triumphant presidency became an uphill push.

What does Mr. Reagan propose now to push up the hill? Many Americans will welcome his expressed desire to cooperate more with Congress, his hopes for an agreement to eliminate intermediate missiles and his support for a new diplomatic initiative in Central America and "getting out of fiscal house in order." But even these items are clouded by the knowledge that Mr. Reagan has been more stubborn than sensible.

The most notable example concerns the immense federal deficit. Mr. Reagan blames the congressional budget process. But it is successive Reagan administration budgets that have blown one \$200 billion deficit after another through the bottom of the federal budget. And Mr. Reagan's proposed remedy, a balanced-budget amendment, is irrelevant. It sounds nice; so would an amendment guaranteeing every citizen a new BMW convertible. A balanced-budget amendment would strangle government's ability to fight recessions with deficit spending during future lean years.

It is the president who insists on borrowing by the ton during the fat years, and the president who resists all the necessary remedies, such as raising revenues and curtailing spending for sacred cows. The federal deficit when Mr. Reagan took office was \$91.4 billion. Last week, it was \$2.3 trillion. Yet he won't accept even the vague responsibility he now acknowledges for the Iran-contra scandal.

If Mr. Reagan wants to win back the trust necessary to push his agenda to success, it will take more than vague words about diplomacy in Central America and more than evasive words blaming Congress for the deficits. He must do so long a sledgehammer on behalf of principle evokes admiration. Stubbornness on behalf of failed policies evokes only a sigh.

— THE NEW YORK TIMES

The Great Stock Boom

Now commencing its sixth year, the long rise of the U.S. stock market has become one of the great booms of financial history. Stock prices have reached altitudes responsible for an epidemic of nervous indigestion among investors, as they brace themselves for the inevitable fall-back. But, high though it has climbed, the market still isn't quite as high as it was in the late 1960s.

One day in December 1968, the Dow Jones Industrial Average of 30 big companies' stocks closed at 985. Corrected for the massive inflation since then, that would be the equivalent of 3150 today. In fact, the average is still a little short of 2700. Perhaps the market in 1968 was a bit overpriced, but the present level does not break new ground. Stock prices are still recovering from the damage done by inflation in the 1970s.

The reasons for the present surge upward are not entirely clear, but that is not unusual in a speculative market. One important factor, new in the past few years, is certainly visible: foreign investment. Money managers in Japan and Europe have been enthusiastically buying American stocks. The attractions of the U.S. economy still apparently outweigh the risks of the dollar's falling exchange rate. But it is the relationship with inflation that makes the current boom

interesting. Up until 15 years ago, it was conventional wisdom that stocks were inflation-proof. They represent, after all, ownership in real assets: factories, machinery, inventories. Those values ought to be constant, regardless of an inflating dollar. But it didn't turn out that way.

Inflation disastrously skewed and disoriented companies' accounting, confusing real profits with mirages created by an unstable currency. Most of the government's early attempts to fight inflation, beginning with President Nixon's disastrous price controls, were bad for industrial performance. By the summer of 1982, when the current boom began, the Dow Jones Industrial Average was less than one-third its 1968 value. The boom started at a point at which inflation was coming down, rapidly and convincingly, and the chief threat to the boom now is the evidence that inflation is beginning to accelerate again.

This boom is said to have generated \$2.2 trillion in new wealth for stockholders. It would be reassuring to think that some of that money was going into industrial development. Individuals can get rich by financial manipulation, but that is not how large countries raise their standards of living.

— THE WASHINGTON POST

A Merengué of Memories

Social dancing. The Times reported this week, is dead. Health-conscious young people jump in the gym doing aerobics. Health-conscious older people labor in the barn doing the Virginia Reel. Everybody else lies on the couch watching "Crocodile Dundee." What does it all mean? It means that pretty soon America's oldsters are going to have a new bedtime story to tell the kiddies.

They'll reminisce about the time their parents gave them a crash course in the box step and the slow turn before sending them off to their first mixer. And about how their aunt and uncle — the ones who used to go on cruises all the time — taught them the merengue, the rumba, the cha-cha-cha and the samba. If the storyteller is a woman, she might recall how easy it was to fall down during the samba because of all that moving backward. If a man, he's apt to remember the torture of leading a woman around the dance floor without stepping on her toes. Sock boys were sock boys, they'll say, because leather-soled shoes would have

scratched the gym floor, and prum nights meant borrowed cars, rented tuxes and wrist corsages that extended to the elbow.

The quickest way to learn the twist, storytellers will relate, was by making believe you were drying your backside with a towel. And that the twist was followed by the frug, the funky chicken, the pony, the mashed potatoes, the hully gully, the swim, the monkey and the bustle. If the speaker's a woman, she might mention that her legs never looked better.

They'll talk, too, about glow dancing, and how the boy courted the girl's right hand within his left and the girl leaned her head on his shoulder. How he snuffed her perfume while she snuffed his after-shave. If the speaker's female, she might mention those cornballs who used to ask if she knew the "Y" dance. (Girl is told to put both arms around boy's neck; boy then asks, "Why dance?")

And if the storytellers go on long enough, this is what their young listeners are going to say: "Teach us how to dance."

— THE NEW YORK TIMES

Other Comment

The Gulf Is the Concern of All

A marked degree of satisfaction is being shown in the United States that Britain should have changed its mind about the Gulf. That is not helpful. A Gulf that is a bipartisan compromise ought to be a bipartisan approach in the Gulf. It gives plausibility in Iranian propaganda, which is admitted already. The facts as most other countries' interest, as well as most other countries, to keep the Gulf open. But we are stuck with improvised national measures at a time when the UN Security Council ought to be the fount of authority. Thus, it becomes all the

more necessary in see that neither Iran nor Iraq causes tension between the competing improvisers. It is hard to decide whether Kuwait has merely shown even-handedness by seeking help from both Moscow and Washington or whether it has played one off against the other. It is worth acknowledging that the United States was faced with a genuine dilemma by the Kuwaitis, even though it has trampled further into it with leaden feet. Moreover if the war goes on and if shipping is further harassed, the other European countries and Japan cannot go on observing events with sublime detachment. It's everybody's oil.

— The Guardian (London)

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OPINION

These Foreign Policy Turf Wars Must End

By Richard C. Holbrook

NEW YORK — Rogers and Kissinger. Vance and Brzezinski. Muskie and Brzezinski. Haig and Allen. Haig and Clark. Shultz and McFarlane. Shultz and Poindexter.

Five U.S. secretaries of state, six so-called national security advisers, four administrations. Policies that ranged across the ideological spectrum. Widely differing personalities and styles. Yet one constant: friction between the two top advisers to the president on foreign policy — friction that, in most cases, adversely affected not only the conduct but the content and coherence of foreign policy. And, in at least two administrations — those of Jimmy Carter and Ronald Reagan — led directly to large-scale political problems and erosion of public confidence in the president's ability to govern.

Every administration begins with high-sounding rhetoric about the primacy of the secretary of state and orderly procedures, but as the president and his staff grow impatient with what they often view as the State Department's leisurely, domestically insensitive, bureaucratic approach to policy, the White House starts to get involved. At first, it tries to get results through second-guessing and, producing the department, then, sometimes, it takes matters into its own hands.

This is not some minor power struggle — office politics of interest only to the participants and a few academic gossip mongers. The personality conflicts between the national security assistant and the secretary of state, exacerbated by ambitious middlelevel

staffers, has an extremely deleterious effect on the ability of the United States to conduct its most vital and sensitive affairs overseas and build a constituency for them at home.

While the circumstances that led to the Iran-contra affair are unique, and the dimensions of the policy disaster and humiliation far greater than any previous consequences of the State Department-NSC rivalry, no one should ignore the fact that this catastrophe stemmed largely from the very structure that was designed to prevent it.

The core of the problem lies not in the actions of those appointed to these critical jobs but in the leadership of the man who chooses and must direct them. A president ends up getting the advice and support that he deserves

and, in his heart of hearts, probably desires. By what right can he presume to lead the nation if he cannot control two of the people closest to him, who depend on him for whatever authority or influence they possess?

It is relatively easy, but of limited value, to map out a set of generalities that cover the proper balance between the NSC assistant and the secretary of state. But in practice, time after time, ambition and circumstance break down the early vows of collegiality and consensus. In theory, the president can choose either a State Department-centered, White House-centered or hybrid system and make it work. But he cannot leave the system alone, unguided, to degenerate into tribal warfare, or allow a bitter dispute over a central policy issue to remain unresolved without mortal risk to his presidency.

A president should always select his national security team — including, too, the secretary of defense, the secretary of the treasury and the director of the Central Intelligence Agency — so that their individual styles fit whatever system the president prefers. Although various structures can work, depending on presidential preferences, my recommendation would be to restrict the National Security Council staff to its original functions: staffing presidential and NSC decisions, helping the president reconcile clashing interests of the departments and agencies and assuring implementation, through proper channels, of policy decisions.

It is obviously too late for this administration. But there are in the United States these days a dozen or so people from among whom will be elected the next president. It is not unreasonable to ask each pretender to the throne to outline how he or she would avoid another round of the same sorry game. A repetition of the present situation entails costs to the national interest that are unacceptable.

The writer, a managing director at Shearman, Latham & Stearns, an investment banker, was the U.S. Assistant Secretary of State for East Asian and Pacific Affairs in the Carter administration. He contributed this comment to The New York Times.



The president's ghostwriter

Some Straight Talk About the Bork Hypocrisy

By Tom Wicker

NEW YORK — It's time for some straight talk about Justice Robert Bork's nomination to a seat on the U.S. Supreme Court.

The reason President Ronald Reagan chose Mr. Bork, and that conservatives are happy about the choice, is that they believe this nominee, if confirmed, will tip the court solidly in the right for many years to come. The reason Mr. Bork is opposed by so many liberals, and so many beneficiaries of liberal legislation and rulings, is that they believe the conservatives are exactly right about the nominee's effect on the court. So for either side to accuse the other of being "political" is quite true. It also is quite hypocritical, when it is suggested that only the other side is being political.

Thus, Justice Bork's supporters insist: "He's a moderate and a centrist in the tradition of Lewis Powell, the justice he was nominated to replace. If he doesn't prove to be quite that, those who oppose him still have no right to consider his writings, legal philosophy or judicial rulings — only his I.Q. and his ethical character. If they nevertheless insist on his position on Bork's record, it's still the president's right to shape the court, and Reagan is only making up for years of liberal appointees."

Mr. Bork's opponents contend: "He's an inflexible conservative extremist who'll try to roll back all the protections of individual rights recently achieved. If he doesn't prove to be quite

that, we still have the right to oppose a nominee who talks about judicial restraint but in many cases threatens established values and precedents. If it's not certain that he does, liberals still should try to keep the court out of conservative control, and the Constitution says senators don't have to accept a president's nominee."

For every senator, moreover, who has made up his mind in advance to vote against Mr. Bork, there is one who has decided in advance to vote for him. What's the difference?

This particular nomination, of course, is unusually sensitive because Mr. Bork's record suggests that, once on the court, he would form a controlling conservative bloc with Chief Justice William Rehnquist and Justices Sandra Day O'Connor, Antonin Scalia and Byron White. How conservative and how controlling are questions at the heart of the debate.

The unusual prospect of such a decisive change in the court is what makes it at least possible that a qualified nominee might be defeated, a fairly rare event in this century. The news that Justices Harry Blackmun and William Brennan are undergoing prostate surgery, heightening Mr. Reagan's chances to nominate one or two more justices, only intensifies liberal apprehension. On the other

hand, the Bork nomination could be Mr. Reagan's last chance to remake the court — particularly if debate on the nomination carries over into the election year. For that reason, many conservatives consider the Bork confirmation battle perhaps the most important decision of the Reagan years; and for the same reason, many liberals agree.

What about a filibuster? If Bork opponents have the votes to defeat cloture, "extended debate" is a legitimate Senate tactic, need countless times by conservatives and liberals to achieve lesser or greater purposes than now at stake. But it might be too risky because of the political effect — say, in the presidential campaign — of frustrating a Republican-conservative nomination by a primarily Democratic-liberal filibuster.

Some may think Mr. Reagan should have made a less controversial nomination. Others may think that opposing Mr. Bork on any but ethical grounds is unprincipled. But neither side can rest on principle. The nomination was a political act well within Mr. Reagan's rights. It has inevitably generated political opposition. Both sides are acting politically in trying to confirm or defeat Mr. Bork.

What is wrong with that? What's new about it? Political decisions — power struggles — make a democracy. And the only "double standard" in this instance belongs to him who claims to see one in the other fellow.

The New York Times

LETTERS

Don't Cut Off Romanians

Regarding "It's Time to Reign in Compassion" (June 10) by Jen Laker:

It is time for those in the U.S. Congress who voted in favor of suspension of the most-favored-nation trade status to imagine what that country would be like without it, and without the workings of the Jackson-Vanik amendment, which specifically links trade to emigration.

A suspension would very well compound the oppression of religion and ethnic minorities in Romania. The bleak state of that country's economy, and the shortage of necessities suffered by its people, have been well depicted. But through the extension of most-favored-nation status and the workings of the freedom of emigration amendment of the 1974 Trade Reform Act, a relief valve is in place that has provided for the movement and resettlement of thousands of Romanian families. Though this is an imperfect solution, it has provided some hope.

It likely was the Jackson-Vanik amendment that led Romania to help in the emigration of Soviet Jews to Israel — a point that many in Congress seem to have ignored. The Romanian government has responded favorably to specific Western concerns about human rights, allowing release and emigration in several difficult cases. It is highly probable that any additional stress placed on the government through the loss of most-favored-nation status will be passed on to the populace through even greater deprivation and controls. The churches there are overflowing with people seeking solace; the churches are subsidized by the state and could be subject to much greater restrictions.

The human rights situation in Romania is complex and will not be solved by tampering with most-favored-nation status. What is needed from those concerned with human rights there is the same type of creative thinking that brought Jackson-Vanik into being in the first place, and not the negation of what limited resources are at America's disposal. The consequences will be suffered by many poor individuals who are still hoping for our good will.

JOHN CROSSLEY
Director, Christian Rescue Effort for the Emancipation of Dissidents, Erwinna, Pennsylvania

There's a Way Out of the Afghan War

By Barnett R. Rubin

NEW HAVEN, Connecticut — The Afghan resistance, now better supplied than ever, has recently won important military successes in key regions of the country. This is unknown to most of the outside world, but not to their opponents.

Nevertheless, since neither the Soviet Union, and its clients in Kabul, nor the Islamic resistance, supported by the United States, China, Pakistan, some Arab states and other Western and Islamic countries, can win militarily, battlefield advances in Afghanistan mean nothing but wasted lives unless leaders can translate them into political gains in negotiations. The diplomatic situation may now offer the resistance such an opportunity, if its leaders are capable of seizing it, and if its supporters permit them to do so.

The alliance of the seven political parties in the Afghan resistance — the Islamic Unity of the Mujahidin of Afghanistan — should ask Diego Cordovez, under secretary general of the United Nations, who has been working since 1982 as a mediator, to meet with them to discuss the possible composition of a transitional government. The new team would take over during the withdrawal of Soviet troops, as envisaged by the nearly complete treaty drafted by Pakistan and the government in Kabul.

In a recent interview, Mr. Cordovez emphasized that he would try to "promote a convergence" between efforts to reach agreement among Afghans about the form of government in Kabul and efforts to conclude an international treaty involving Pakistan, the Soviet Union, the United States and whatever government is in power in Kabul. The draft international treaty is now virtually finished. It provides for the complete withdrawal of Soviet troops, the end of external aid to the Afghan resistance and the voluntary repatriation of approximately five million refugees under the protection of the UN High Commission for Refugees.

Both of the superpowers have agreed to guarantee such an agreement, which also provides for an elaborate mechanism to monitor observance of its provisions. The agreement lacks only the precise timetable for withdrawal, but the current position of the two opponents — the Soviet-backed Kabul

side advocates 18 months while Pakistan calls for seven months — point toward a relatively easy compromise in about 12 months.

The real problem is the one that critics of the agreement have raised all along: The regime installed and defended by the Soviet troops cannot survive that army's withdrawal. An agreement that does not provide for the replacement of that regime by one acceptable to the Afghans seems destined to create chaos that would draw the Russians in again, and lead to a resumption of war.

Neither side is willing to sign an agreement without a mechanism for establishing an acceptable transitional government that would lay the basis for Afghanistan's political future. The question is, acceptable to whom? The plan for "national reconciliation" advanced by Moscow and Kabul envisions the inclusion of resistance parties and others in a coalition government in which all key posts — president, prime minister and chiefs of the external and internal defense and security apparatus — are still in the hands of the ruling party and its Soviet advisers.

Not a single leader of any significance in Afghanistan has agreed to this plan. The resistance leaders claim that the real protagonists of the conflict are the Afghan people, whom they represent, on the one side, and the Soviet invaders, on the other. They have demanded that the Soviet government deal directly with them. The United States has quietly encouraged them in this position. This demand, however, asks too much of Moscow. To deal directly with the resistance, the Russians would have to explicitly and openly abandon their clients. On the other hand, to ask the resistance to recognize a "puppet regime" in Kabul as a negotiating partner is to ask it to abandon the main principle it has fought for: The Soviet Union may now be considering new ways to extricate itself from this political and military quagmire. In the last six months, Mr. Cordovez has been in touch with the major international actors, and his declaration may be designed to push the Soviet Union along that path. The Afghan resistance can test

how the other side will go by responding to Mr. Cordovez.

Resistance leaders have sometimes expressed a wish to be invited to participate in talks. Unfortunately, their divisions and the resultant lack of clarity of their positions all mean that no one can be sure how they would respond to an invitation. Their refusal would be a dangerous setback for the negotiations. It is now up to them to overcome both pride and their divisions and to request talks with Mr. Cordovez.

As a guarantor of any agreement and a chief arms supplier to the fighters, the U.S. government also has a major responsibility. It has supported the Islamic unity organization in part so the Afghans would have a diplomatic presence. Now that the organization may have an opportunity to enter into negotiations, Washington should encourage such a move. More than any statements, such action would refute the charges that the United States is only using the Afghans to bleed the Russians.

The writer is assistant professor of political science at Yale University. He contributed this comment to The New York Times.

A New Role For Reagan, All Scripted

By Lou Cannon

WASHINGTON — As a young actor in the movies, Ronald Reagan frequently was cast as a man of action, or the homespun hero, who could be counted on by his friends. Wednesday night, he began striding in a new role: that of the contrite and aging president who wants to go out a winner.

For a politician whose career appears to be on the skids, Mr. Reagan gave an adequate performance. He did not say whether he would have diverted arms profits to the Contras, given the chance. But he did manage to walk the line between groveling and apologizing to the American people for betraying their trust. He also acknowledged that "there's nothing I can say that will make the situation right."

Unfortunately for those who share Mr. Reagan's goals in arms control or his high opinion of Robert Bork, the Supreme Court nominee, the performance was a carefully crafted one-time stand in the Oval Office that cannot be safely repeated outside the protective shield of a television studio.

As Mr. Reagan began a long vacation in California that few would begrudge him, he left behind a sheltered presidency in which isolation is approaching an art form. He has been so many contradictory explanations to unresolved issues in the Iran-contra affair that he dares not comment further without a script. When he is dispatched to the White House briefing room to announce a new appointment or proclaim an old policy, his handlers warn him against answering even friendly questions.

This is sad, for Mr. Reagan and the United States. On his best days at the height of his popularity, Mr. Reagan was a high-risk performer in the briefing room who rarely allowed a fact to get in the way of a story, thought. But part of his considerable charm was that he usually stood his ground with the media and said what was on his mind. Those days are gone, probably forever.

Modern U.S. presidents are often hidden for a few months when policies go sour, but Mr. Reagan is now breaking even his own records for prolonged inaccessibility. Ironically, the isolation has become endemic under the reign of a new White House team supposedly dedicated to openness, instead of the secret and devious behavior characteristic of aides during the Iran-contra affair.

The White House chief of staff, Howard Baker, and the national security adviser, Frank Carlucci, are respected public servants, wise in the ways of Washington. When they took over from Donald Regan and Admiral John Poindexter, it was widely expected that Mr. Reagan would be released to resume normal communications. This has not happened. Instead, he is now more isolated and inaccessible than at any previous time in his political career. He averaged a news conference every two months under Mr. Regan; under Mr. Baker, the average is one in three months, and is likely to get worse. The White House spokesman, Martin Fitzwater, treats the mention of a news conference as a joke.

News conferences are not, of course, the only measurement of accessibility. By other yardsticks, Mr. Reagan is even more isolated now than he used to be. For instance, he once repeatedly gave interviews; now he gives none, except for occasional chats with journalistic boosters. Other presidents unwilling to face the media have sometimes used panels of citizens to ask their questions. Even this device can't be safely used by Mr. Reagan in his present state of mind.

On July 27, campaigning in Port Washington, Wisconsin, for his "economic bill of rights," he wandered away from his script and said: "You know, a president some years ago was talking about government and its power, and he said, 'If the people don't know enough to run their own lives, who cannot only run their lives themselves, but the people's lives for them? And that is government? Well, you can't find them.'"

So Mr. Reagan gave a swell performance Wednesday. But he now functions only on national television, when he can read what has been written for him on a TelePrompTer. Left to his own devices, the Great Communicator no longer exists.

The Washington Post

Even the mention of a news conference is treated as a joke.

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IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Astor Heir Is Born

NEW YORK — Rejoicing in a nursery specially fitted up at the cost of \$10,000, and surrounded by eight nurses, John Jacob Astor was born this morning in the Astor mansion, in Fifth Avenue. This, the most interesting baby in America, heir of the Titanic victim, is a lusty youngster of 7½ pounds. Even the chatter of the morbid crowd in the street fails to disturb him. He is likewise unmindful of the sensational newspaper stories concerning the reported movement to break his father's will, by which he inherits \$3,000,000. Mrs. Astor was formerly Miss Madeleine Talmage Force. She was married to Colonel John Jacob Astor in September last. Colonel Astor was drowned in the sinking of the Titanic on April 15. Mrs. Astor was also on board when it struck the iceberg, but was taken off in a lifeboat that was subsequently picked up by the Carpathia.

1937: Death in Shanghai

SHANGHAI — After sowing death and destruction from the air on the Japanese warships and in the International Settlement, killing hundreds and wounding thousands, the Chinese were preparing to pour in three divisions and 125,000 reservists (on Aug. 14) to sweep the Japanese forces into the sea. At the end of this harrowing day bodies are still buried under the ruins of some of the finest buildings in the heart of Shanghai. Twelve Americans, including two missionaries, are known to be among the foreign residents killed. The number of Europeans killed is estimated to be just short of 100. The life of every one of the 5,000,000 inhabitants of Shanghai, foreign or Chinese is now in danger. Stray bombs and shells are still falling on the International Settlement. The Chinese say the bombardment of the International Settlement was due to a mistake.

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South Korea Protesters Decry Pace Of Reforms

The Associated Press
SEOUL—About 3,000 students and other activists calling for democracy demonstrated Friday at a university campus in Seoul as hundreds of thousands of workers around the country went on strike.

The four-hour demonstration at Seoul National University was largely peaceful. About 2,000 police were stationed outside the school gate but did not intervene. No clashes were reported.

The protesters raised clenched fists and shouted, "Down with military dictatorship" as speakers urged the government to release all political prisoners.

The crowds also voiced support for the striking workers, who are seeking more pay and freer unions.

Some speakers denounced the current democratic initiatives by the government as "a temporary shift in tactics" and called for further struggle to assure democracy.

The Labor Ministry said more than 200 strikes continued throughout the country.

The strikes began soon after the government agreed last month to sweeping democratic reforms, including direct presidential elections and fewer restrictions on labor unions. The government agreed to the reforms after weeks of anti-government demonstrations, mostly led by university students.

Authoritarian governments have kept a tight rein on unions since South Korea's economic surge began in the 1970s. Strikes have been virtually banned. Pay has been kept low to make the country's products cheaper on world markets.

South Korean employees worked a 54.4-hour work week last year, but earned an average of only \$370 a month. Productivity has nearly doubled since 1980, but pay has risen only 40 percent.

Most strikers are demanding higher wages, better working conditions and the right to organize and conduct union activities free of government control.

About 2,000 coal miners roamed through the streets of Changsong in the coastal Kangwon Province Friday night and raided company offices, destroying a telephone switchboard and furniture, according to a spokesman for the state-run Korea Coal Mining Co., which operates several mines in the area.

Officials said some of the protesters stoned apartments of company officials and set fire to one. They said police dispersed the demonstrators early Friday. No injuries were reported.

The Hyundai Shipyard in Ulsan on the southeast coast, which had resumed operation Tuesday after suspending work for several days, shut down again Friday when about 1,000 workers urged colleagues to walk off their jobs.

The government Friday released figures it said showed an alarming effect of the unrest on the economy.

The Trade and Industry Ministry said exports in the first 10 days of August were \$692 million, compared to \$936 million in the first 10 days of June and \$1.7 billion in the first 10 days of July.



Miners injured by guards at an Anglo American Corp. mine west of Johannesburg.

STRIKE: 76 African Miners Injured by Rubber Bullets

(Continued from Page 1)

for several months. The firm gave no reason for its intention to shut down its Landau coal mine.

Mr. Ramapobosa said the union was arranging buses to take strikers away from the mines west of Johannesburg where violence had occurred. He said the men were being taken to their homes, some outside the country, but did not specify where.

There has been no indication of any renewal of talks with the Chamber of Mines, which represents the top gold and coal mines, he said.

About 150 union members who struck Thursday at the Rand Refinery, the main processor of the country's export gold, returned to work Friday, management said. But the union said 10,000 additional workers joined the walkout Thursday.

The union is demanding a 30-percent wage increase, longer annual leave, more death benefits and a paid holiday on the anniversary of the student uprising in the black township of Soweto on June 16, 1976.

The Chamber of Mines on July 1 unilaterally granted pay raises ranging from 15 to 23 percent.

The chamber said the average black miner's salary was about \$250 a month before the increases and is now about \$285 a month for gold miners and about \$300 for coal miners. That is about one-fifth what the average white-miner earns.

The union says the average black miner earned \$170 before the wage increases.

ANGOLA: Citing Hunger Crisis, Government Asks Aid

(Continued from Page 1)

States into ending its support of the insurgent group.

This year, for the second year in a row, the U.S. government is sending at least \$15 million in military hardware to the rebels.

The administration of President Ronald Reagan has said that the military equipment is intended to pressure the Angolan government to negotiate with UNITA and to force the withdrawal of an estimated 37,000 Cuban troops.

The Angolan vice minister for foreign affairs, Vancencio De Moura, said that U.S. support of UNITA had strengthened, rather than weakened, the government's intention of keeping the Cuban troops.

He called the aid to UNITA "clear interference in our internal affairs" and said that it was prolonging the war while causing increased civilian casualties.

The number of displaced persons has risen by about 1,000 people in the last six months, Angola says.

Mr. De Moura added, however, that as part of Angola's emergency appeal, the Luanda government "had no problem accepting" bilateral famine aid from the U.S. government.

In the past year the U.S. Agency for International Development has provided 12,000 tons of fortified grits, vegetable oil and dried skim milk for distribution in Angola by the United Nations Children's Fund.

AIDS: U.S. Experts Don't Expect Heterosexual Epidemic

(Continued from Page 1)

Haiti, have simply not materialized in the United States.

AIDS is primarily transmitted by an exchange of blood, and it seems that the prevalence of genital infections in Africa has contributed to the spread of the disease there, whereas such infections are far less frequent and severe in the United States.

"In Africa we can say that a major co-factor in the spread of AIDS is venereal disease," Dr. Gallo said. "There are lessons to learn from the African situation, but we cannot predict parallel phenomena here."

Dr. Gallo's observations are part of a growing awareness that heterosexual activity in the United States rarely involves the necessary co-factors — wounds permitting blood or blood-semen exchange — for easy transmission of AIDS.

In the high-risk groups, by contrast, blood contact is common. Most of the homosexual spread has been accounted for by anal intercourse, which often involves torn tissue and rectal bleeding, providing an entry for the virus.

And IV drug users exchange the virus through blood on shared needles.

Some AIDS experts, like the Harvard University virologist William A. Haseltine, still argue the case for a rampant heterosexual spread.

Mr. Haseltine contends that in the United States AIDS is still relatively new to the heterosexual population, and he cites the military study to confirm that large numbers of heterosexuals are now testing positive.

But the military statistics have not held up well. Critics charge that military recruits who tested positive were reluctant in many cases to admit to homosexual practices or intravenous drug use.

INDIA: Independence Anniversary Unleashes Outpouring of Pessimism

(Continued from Page 1)

the modern world. Few would disagree that its major achievement has been preserving democracy, epitomized now by the intensive self-criticism that people in other developing countries might envy as a sign of health.

In addition, there are widespread signs of enormous material progress for India, reflected in health, income, and food production.

Part of the reason for the negative feelings being expressed today is certainly the spread of violence. Killings involving clashes between Muslims and Hindus and between caste groupings of Hindus, plus attacks by Sikh extremists and retaliations by Hindus, are occurring at the highest rate in decades. Scores and sometimes hundreds die in such bloodshed each month.

Another theme in the commentary is the focus on the decline of the quality of the police, the bureaucracy, the political organizations and other institutions, a drop that has been steady since independence has been accelerated in recent years. Everyone, it seems, acknowledges that bribery has virtually become a way of life in dealing with the government at all levels.

Girilal Jain, editor of The Times of India, wrote this week of the need to renew and strengthen "the institutions of a modern state which we inherited from the British, and which we have run down to a point where they have become caricatures of the original models."

The malaise seems tied, most of all, to the political difficulties of Prime Minister Gandhi. He was a symbol of hope when he took office in 1984 but he has become embroiled in accusations of corruption and cover-up directed against his government and in some instances against him personally. Several former allies and members of his cabinet have been expelled from the governing Congress (I) Party and are calling on him to resign.

"As always, India is facing a set of contradictions about itself," said Sudhir Kakar, a psychiatrist and author of books about the Indian character. "We do see today a greater sense of self-confidence of doing things. At the same time, these scandals and accusations have really shaken people."

Other experts say the sour mood in India has less to do with scandals or politics than with the unusually oppressive heat this year, coupled with the apparent failure of the monsoon and the specter of drought and hunger.

Certainly, there have been enormous achievements in 40 years as an independent nation.

Although India remains a poor developing nation, with a \$200 billion economy that is one-twentieth the size of that of the United States, its annual per capita income of \$260 is 10 times what it was at independence.

In 1947, the average life expectancy in India was 32 years. Today it is 54. At independence, India was an almost exclusively agrarian nation. Today, it is industrialized, producing steel, machinery, computers, rockets and satellites.

Perhaps most important, a "green revolution" has enabled an India of more than 750 million people — more than twice the population of the United States — to produce 150 million metric tons of food grain a year, nearly three times what it produced 40 years ago.

A country that was once a major food importer is now self-sufficient in grain, even though more than a third of its people still suffer from hunger and malnutrition.

India's birth rate also has declined somewhat, but experts say that it is still out of control. They predict that India will surpass a billion in population shortly after the turn of the century and eventually will pass China as the most populous country on Earth.

In its four decades, India has fought one war with China and three with Pakistan. Today, it is engaged in a military buildup in response to the continuing deep distrust of these neighboring nations, while usually endorsing the policies of the Soviet Union in arms control and relations with the developing world.

Yet, perhaps oddly, few of these issues seem to be at the center of national concern today.

Instead, politicians and polls say the public has become preoccupied with the issues of accountability and honesty in government.

"What has happened in the last 40 years is the emergence of the Indian state as the greatest enemy of the Indian nation," said Jaswant Singh, an opposition member of Parliament. "You can see this at the lowest level, in the villages. Today, if a villager has to go before a government official, a policeman, or anyone else, he is completely filled with terror."

But to other analysts, the focus on corruption and morality is itself a sign of progress. Pran Chopra, a social scientist, noted that India, in its early years, had to decide basic issues of its constitution, political and economic structure, and foreign policy.

"There were great debates over all these matters," Mr. Chopra said. "The fact that today we are focusing on whether there was a kickback in a defense contract is a sign of progress. Our broad goals have been established, and we have achieved remarkable consensus and stability in keeping to them."

Today, the dominant political fact appears to be the continuing influence of the "middle class," a phrase used to refer to the most affluent 10 percent or 15 percent of the population, which buys consumer products and sets the pace in demanding a government that is more honest and efficient.

This middle class once provided the support for Prime Minister Gandhi and now seems to have turned against him. Meanwhile, most critics say his party has lost its base of mass support.

Perhaps the greatest threat to India, according to many analysts, is the deterioration of the concept of secularism, the separation of religion from the state. As minority groups such as Muslims and Sikhs have asserted their religious identity, another resurgence of identity — by the Hindu majority — has developed.

Experts wonder whether the rise in grasping for religious identity will push India's ideal of unity among myriad walks of life, faiths, and sects even further beyond reach.

ACCORD: Peace Depends on U.S. Cutting Off Contra Aid, Managua Says

(Continued from Page 1)

be carried out only if other parties also respected the accord.

President Daniel Ortega Saavedra returned Friday from Havana after talks on the peace accord with the Cuban leader, Fidel Castro.

Among other issues, Mr. Ortega and Mr. Castro discussed the role of foreign military personnel in Central America, the Cuban news agency Prensa Latina reported.

"The conclusion was arrived at that an important contribution to peace would be the carrying out of a regional agreement for the halt of all foreign military presence in the countries of the area," the news agency reported, quoting the text of a press release.

Under the peace accord, each country in Central America is required to declare a political amnesty. Mr. Ramirez said the Sandinist government would comply by freeing prisoners, abolishing the special tribunals that condemned many of them, and allowing rebel leaders to return to Nicaragua and enter political life.

"Disarmed groups would have all political rights," Mr. Ramirez said. "Counterrevolutionary leaders could join existing political parties or form new ones."

This will be possible, he said, only if a cease-fire takes effect, if the United States stops supplying and advising the rebels, known as contras, and if neighboring countries honor their obligations under the accord to forbid the use of their territory for attacks on Nicaragua.

Mr. Ramirez said, however, that during a cease-fire, the contras could receive food and other non-military supplies from "a humanitarian organization like the Red Cross."

He said, "If we assume that the United States stops supporting the counterrevolution, that the counterrevolution accepts a cease-fire, that the counterrevolution begins the process of giving up arms, that the government of Honduras closes the contra bases and prohibits the use of Honduran territory for contra operations, then parallel with that, the state of emergency will end."

"Full constitutional freedoms will be restored," he continued. "La Prensa will reopen, the press, there will be no restrictions on political party activity, the people's tribunals will be closed and all counterrevolutionary prisoners will be freed."

"I hope it happens," he added.

Under the Guatemala accord, Nov. 7 is the date by which outside aid to rebel groups must end and Central American countries must carry out measures to encourage democracy.

Duarte, Rebels to Meet
 Salvadoran rebels have accepted President José Napoleón Duarte's call to meet in El Salvador on Sept. 15 for peace talks, The Associated Press reported from San Salvador.

"We accept," Rubén Zamora, a rebel leader, said in a telephone interview from his home in Nicaragua. "He changes from one day to another, so we are answering very quickly in case he changes again."

Mr. Zamora said the leftist movement, a coalition of the Frente Morazanense, the Frente Democrático Revolucionario, and the Frente Político, proposed that the talks be held at the highest level and that they take place in San Salvador.

Mr. Duarte made the offer on Thursday to meet with the guerrillas, saying he was complying with the terms of the accord that he and the presidents of Nicaragua, Honduras, Costa Rica and Guatemala agreed to.

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NOTES ON A CENTURY

A Paris Newsroom in the 1930s: Not Yet Tuned to Rumors of War

Adolf Hitler and Benito Mussolini in Rome, June 1938.

The author worked in the mid-Thirties for the Paris Herald, then went on to a bright journalistic career in New York. He worked first for the Herald Tribune there, and then for Newsweek. Along the way, he wrote a series of very funny detective novels. He now lives in the south of France.

By Jack Iams

Shortly after he left the Herald, novelist Elliot Paul — who had been one of the staff's brightest ornaments in the late 1920s and early 30s — said casually to me one day, "If I have as good a time in the next war as I had in the last one, I'll have no complaints."

It was a time when World War I seemed well behind us, and no one yet was worrying much about another. I didn't know Elliot very well at the time, and I was shocked. His remark sounded cynical and callous. Later, I was to realize that he was one of the most compassionate and peace-loving men in the world, but at the time, when I was a young and wide-eyed member of the Herald staff, I wasn't used to hearing people take it for granted that another world war was on its way.

Now, in retrospect, I can see that Elliot was simply more prescient than most of the people I knew and worked with. He had read the writing on the wall and he knew what it meant.

Very few, if any, of us on the Herald in those days — I am talking about 1933 and 1934 — knew that there was any writing on the wall, let alone read it. Admittedly, the Golden Age of the Herald — the carefree late 1920s — had passed, and the echoes of the American Depression were very much with us. We wondered how the new American President was going to cope with it, and the few remaining expatriates who lived on money from home were undoubtedly worried about their checks. But the idea that the smiling Franklin Roosevelt would emerge as a wartime leader in the not-too-distant future would have seemed unthinkable.

At the time, of course, we did not have the lesson of the Spanish Civil War to indicate what the Nazi Germans and Fascist Italians were up to. Although Mussolini was even then preparing for his Abyssinian adventure, he was looked upon, around the Herald anyway, as something of a comic-opera figure.

And indeed there were a good many Americans in those days, some of them quite respectable, who frankly admired Il Duce for having made the trains run on time. As for Hitler, the silly little man with the Chaplinesque moustache then seemed more of a mountebank than a monster.

Ironically, I think that most of us on the Herald thought that the most dangerous threat to peace was inside France itself, with the country showing increasing signs of coming close to civil war.

The Herald itself, of course, steered carefully clear of any comment on the French situation — that had long been its policy — and I would imagine now that a stranger reading an average issue would have had little or no inkling that France, and the rest of the Western World, was heading for serious trouble.

Besides, life on the Herald was still, for the most part, a happy one. Paris, despite its undercurrents, had never looked lovelier. Wine and food had never tasted better, and though we weren't exactly overpaid, we could afford a few pleasures. Perhaps we were living in a cellophane-wrapped world, too absorbed in our own enjoyment of it to bother with what was brewing outside.

Still, some of us must have known. Bill Shirer, for instance. Bill was clear-sighted an observer as anyone could ask for. Yet I would guess that even he, when he left the Herald later that year and went to Berlin, had his eyes opened by what he saw there. Certainly his great "Berlin Diary" opened the eyes of countless Americans to the evil designs that were taking shape in the mind of the silly little man with the moustache. But "Berlin Diary" was not published until 1941.

On the other hand, there were people like Sparrow Robertson, our sports columnist, who hadn't the faintest idea that anything could ever go wrong with the world of Harry's Bar and the Silver Ring that he and his Old Pals lived in.

I'm not sure he ever even heard of Hitler or Mussolini. For that matter — according to legend — he never quite realized that France had fallen and that the Germans had occupied Paris.

I would think of myself as somewhere between Shirer and the Sparrow. I must have been dimly aware of great and ominous events taking shape not too far away in the world. And yet I wanted to believe, like Sparrow, that the wonderful Paris we lived in as Herald staffers, that these were the only realities and would go on forever. I suppose that's why I was so shaken when Elliot Paul referred so matter-of-factly to "the next war."

Elliot was right, of course. The writing was indeed on the wall. And yet, in a sense, the Sparrow was also right. His world, as he saw it, was indestructible. It may not have seemed so, for a while, but it has survived and there it stands. Paris is as beautiful as ever, and the paper we all worked for and loved — well, most of the time, anyway — is also still there, reborn as the International Herald Tribune but as flourishing as ever in the grandeur of its 100th year.

This is the 27th in a series of messages about the IHT which will appear throughout the Centennial year.

ARTS / LEISURE

Master Drawings and the Aesthetic Vision of Ian Woodner

LONDON — It takes an exhibition such as "Master Drawings..." at the Royal Academy through Oct. 25, to remind us that drawings are the essence of two-dimensional art caught in its prime inspiration before it gets disciplined into careful compositions. Museum shows tell you about

schools, trends, crosscurrents. A collector's show gives you an aesthetic vision cutting across time and space Ian Woodner's is fascinating.

An architect by training, a brilliantly successful real estate developer in everyday life, and a remarkable if barely known artist who wielded pencil and pastel many years ago, Woodner has an architect's sense of space, the draftsman's perception of the perfect stroke and, not least, the cash flow. This allows him to buy ceaselessly. His latest acquisitions at Christie's second Chatsworth sale in July, Raphael's study of a Quirinal mar-

bought by Woodner at Christie's in 1982 for £32,400, is astonishing. So are some of the German School works shrouded in complete anonymity. One of the most forceful drawings is a page from a model book intended to guide miniature painters illuminating Gothic manuscripts around 1340. There is even some uncertainty concerning its exact provenance, Austria or Prague, the catalogue suggests while noting that strong French influence has been detected although striking English-looking details are to be noted.

Anonymity plagues many later works. One of the great pieces — undoubtedly Southern German — at the Royal Academy is a knight in armor seen standing three-quarters back. It is meticulously executed in black pen, pinkish brown and white as if intended to be engraved in color like some of Dürer's work. Its manneristic and cruel style is very idiosyncratic, and yet no name can be pinned down to it. A study in the Albertina that is probably from the same hand is called Tyrolean while Woodner's drawing is described as Swabian. The game is open to further contestants.

To Woodner's indifference to labels we owe the inclusion of an admirable and highly unusual work. This is a bird's-eye view of a cluster of thatched houses standing on a broad sandy avenue in the midst of leafy trees with almond green leaves. It reminds one of some plans printed in the late 15th century in Nuremberg. The catalogue notes that the "drawing should perhaps not technically be classified as a pure landscape. The bird's-eye perspective is more closely allied to cartographic or topographical tradition." No museum would allow it to be displayed side by side with the master drawings on view at the Royal Academy. It is the collector's privilege to spurn artificial boundaries enforced in the name of art historical pedagogy.

It is also his merit to perceive hidden affinities that mean more to the viewer than who made what. Recurring visual themes can be perceived in the show. Although not spelled out in writing, they give the visitor a feeling of being led through the secret paths of art. There is a certain type of landscape that somehow seems inhibited by an invisible presence. The "Town on a Hill" which is more like a cluster of houses ascending an uneven rocky eminence, is one of them. Lightly done in pen and brown wash, it is ascribed to the "Circle of Titian" — as if it mattered. A so-called "Mountainous landscape" by Roelandt Savery, which is the nearest that Western art ever got to Chinese Ming landscape painting, also belongs to that category. Tiny mysterious castles crowning mountain peaks give it a fairy tale atmosphere. Even purely



Raphael's study of a Quirinal marble horse.



Melchior Lorich's "Four Women of Hamburg."

natural landscapes, such as the huge beech tree overlooking a river bed in the distance by Lucas van Uden, seem to be throbbing with hidden life. Woodner also appears to have been highly receptive to a sense of suspended drama shared by some of the most diverse drawings. A study of "Four Women of Hamburg" by Melchior Lorich has the appearance of some ritual presen-



Matisse's "Seated Woman," drawn in 1905.

tation. The four tall figures fill the space against a background of abstract hatching and cross hatching. One woman at the far left is turned sideways, the third one from the left turns her back to the viewer, while the other two face him as in some strange ballet.

The animals themselves can convey an impression of imminent action. "The Hare beneath a Tree" inspired by Otror and attributed to Hans Hoffman could not be more like an expressive human. The furry figure fills the sheet, ears pointed forward, whiskers curving down, one eye fixing the viewer, the other oddly looking left.

A definite penchant for the fantastic in understated form comes out here as it does in some architectural drawings and landscapes, as well as seascapes. Piranesi's "View of the Pantheon in Rome," sketched in quick nervous strokes, has a vibrating quality that gives the huge classical structure a slightly nightmarish feel. No drawing is quite so striking however as Odilon

Redon's "La Barque Mystique," a big boat with cobalt blue hull and a golden sail tossed on a turquoise green sea. It fills the space as white foam sparkles underneath and salmony blotches burst around the boat. This is one of Redon's masterpieces, bought by Woodner at Christie's in December 1983 for £118,800 — adding one more to one of the largest private holdings of the French Symbolist painter's oeuvre. It is as beautiful in its way, and as weird, as Cézanne's "Stopping Trees," leaning in opposite directions as if about to fly off.

Here lies the most remarkable aspect of the collection. Woodner's hoard includes as many outstanding works in the 19th- and 20th-century schools, proportionate to their numbers, as it does in the early periods. A self-portrait in Degas's precise almost academic manner predating Impressionism is one of the great portraits done in France at that time, around 1855-60. Matisse's "Seated Woman," acquired from Stanley Moss in New York, is a masterpiece of 20th-century art

and we see the standing figure of a young woman, Mateo Fernandez de Soto, in the recesses at the turn of the century, probably in Barcelona. Interestingly, they are all figurative. The Matisse, however, though dated 1940, belongs to the great European tradition of studies of the human figure that goes back to the Renaissance. Matisse's face, lost in shadow, has an inner sadness, as does the portrait, handled in that moodier manner that Woodner seems particularly attracted to. As one reaches the end of the exhibition, one's mind is struck by the consistency of the aesthetic vision that is projected in this show — one of mystery, of concealed inner feelings, devoid of sentimentality, conveyed with accomplished mastery. The mood that sums it up is aristocratic.

The collection, not surprisingly, reflects the collector — an old man from a Massachusetts family, over 80, who watches you with a kindly smile, his head turned three-quarters, slightly tilted, like the characters in his favorite drawings.

Dining Out section listing various restaurants like Frankfort, Kitty O'Shea's Pub, John Jameson, Melifere, Raffain & Honorine, Paris 7th, Paris 8th, Le Jardin Violet, Le Chambellane, Prunier Traktir, Le Presbourg, and Le Bouddha D'Or.

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A Critic's Notebook: Thinking the Unthinkable

By Bernard Holland. NEW YORK — I took some time off and went to Europe this spring, and let me tell you, when the train pulled into Milan, I made a beeline for La Scala. What an opera house. I sat at the bar across the street and looked at it for hours. There's so much music it comes out and bits you in the face. On the way to dinner in Lucca, a tenor upstairs on one of those winding little streets was singing "Una furtiva lagrima." I wish I hadn't been so hungry or I'd have stayed and listened.

And what about the Festwochen in Vienna — all those swell concerts and operas. I was with friends all the way out in Hietzing; and I'd been able to figure out the streets. I bet I would have gone to a lot of them. Someone did offer to drive me to an ocean resort, but we stopped off for a glass of wine, and one thing led to another. You probably think I don't like listening to music. I must admit there are times I don't go knocking on its door. Indeed, when the threat of an impending masterpiece sends me running into the street for safety. Maybe it's a sin for someone in my business to say he can leave Beethoven alone. On the other hand, Beethoven, every so often might be glad if we did.

Even when the elements are benign, you still can't hear. The loud-speaker systems may be the state of the art, but on strictly musical terms they are lousy. I doubt that these free concerts win substantial converts from the ranks of the uninitiated, especially when Puccini and Mozart are represented in this shrill, blasted form. May these enterprises prosper (which they seem to do) as long as we realize how little they have to do with music. For if music were the prime concern, its presenters would put a roof over its head and give it a chance to survive. To wish the best for music is to provide it an optimal environment, not to subject it to hazard and abuse. Art has its own kind of arithmetic, so that the wonders of Beethoven coupled with the wonders of Central Park do not double our wonderment as one would expect. Together, they might make a nice excuse for a picnic but a rather loud one.

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ANDRÉ BRASILIER. Paintings & ceramics. July 18th - September 15th, 1987.

PRE-COLUMBIAN ART. 6, Rue Jean-Mermoz, 75008 PARIS. Tel: 43.59.82.44.

MORANDI. Paintings - Works on paper. June 12 - August 20, 1987. Salle St. Jean - Tel: 42.75.51.53 - Hôtel de Ville de Paris.

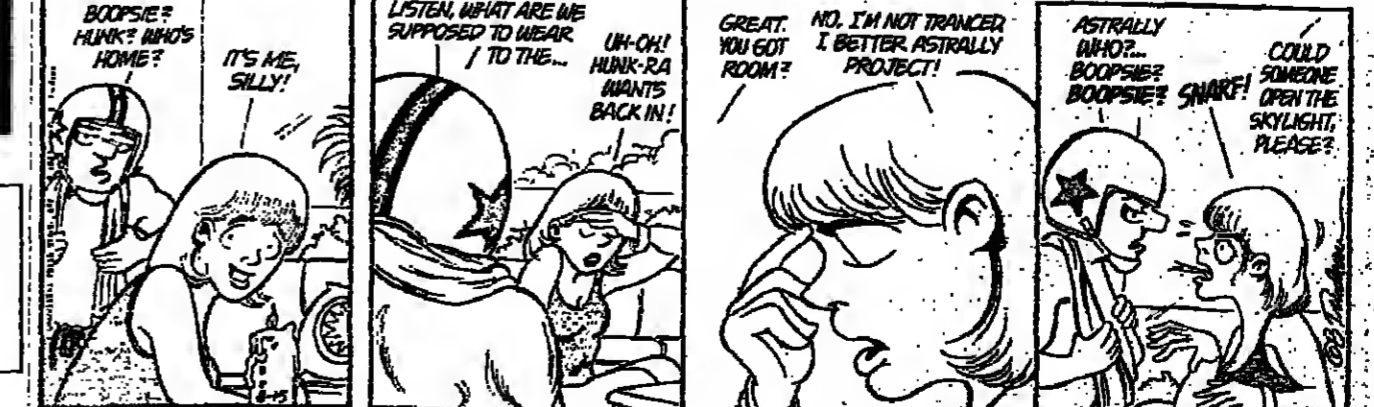
MUSÉE RODIN. 77 rue de Varenne, 75009 Paris. MUSEUM MERKADO Centre Bi-Centre. In the gardens of the museum, Daily, except Tuesday, from 10 a.m. to 5:45 p.m. From July 1st to September 12.

Scholar Arrested in Stolen Letters Case

BOSTON — An art scholar was arrested for allegedly trying to sell a bookstore stolen letters by Abraham Lincoln, Winston Churchill and Abner Doubleday, along with other rare documents. Federal agents in Boston arrested the Washington-based scholar Charles Merrill Mount, 59, author of several biographies of artists, at a bookstore while Mount was allegedly attempting to sell the letters. The store had alerted agents last week when Mount allegedly tried to sell three Lincoln documents, the FBI said. With the arrest came a cache of

40 to 50 historic documents. The papers were stolen from the Library of Congress and the National Archives in Washington, said William A. Ahearn, special agent in charge of the Boston office of the FBI. In one letter, on an "Executive Mansion" letterhead and dated Sept. 20, 1862, Lincoln wrote in longhand to Major General Halleck about the movement of troops in West Virginia. Mount was charged with transporting stolen property across state lines. The charge involved 23 letters from the 19th-century painter James Abbott McNeill Whistler, one letter from Winston Churchill and one by Henry James, which Mount sold to the bookstore on July 23 for \$20,000, according to court papers filed by the FBI. Mount faces a maximum sentence of 10 years in prison and a \$10,000 fine if convicted. The Whistler letters were stolen some time in June or July from the Library of Congress, said David Wigdort, a manuscripts official at the library. Most of the other documents were stolen from the National Archives, Ahearn said. Most of the documents date

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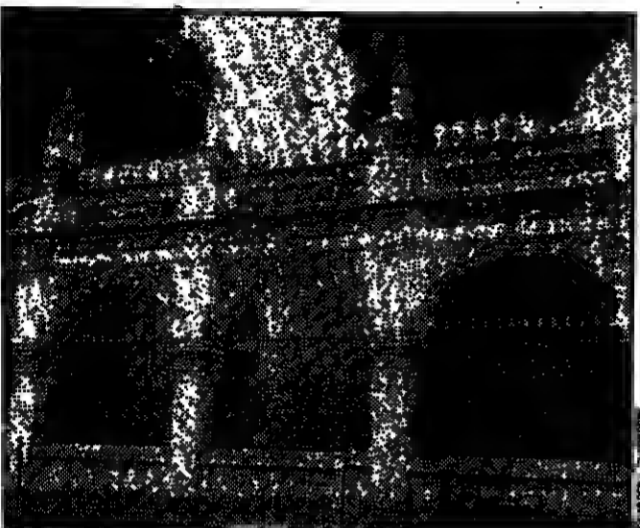
Festival International de la Mer

Starring the Shores of Mauritius in Tribute to the Sea

International Ocean Festival

Captain Cook's voyages of discovery took him around the world and across the Indian Ocean to a coral-fringed island called Mauritius. Following in his wake, William Bligh, lieutenant in command of the *Bounty*, set sail for the South Seas in December 1787. Both events will feature in the two months of festivity due to begin in Port Louis, the island's capital, on the 4th of September. But the International Ocean Festival is a celebration of the present as much as the past. Its underlying theme — "the sea that unites us" — captures the confidence of an island in its element.

Legends still speak of the boats that carried our ancestors across the sea. Since then, Mauritius has been visited and re-visited by ships from Asia, Africa and Europe. The island, which was discovered by the Portuguese in 1511, is steeped in history and draws its rich cultural inheritance from all four corners of the earth.



Traditional architecture at the Rue Royale.

FROM September until November, over a dozen countries will help to make the International Ocean Festival an unforgettable event. They include Japan (24-27 September), Britain (28 September to 4 October), South Korea (3-6 October), Pakistan (3-7 October), Egypt (7-10 October), United States (12-18 October), Soviet Union (10-25 October), Australia (27 October to 5 November) and China (1-3 October).

As the guests fly in from five continents, their feelings may echo those of other travellers in earlier times. Like the great seaman who wrote of "the expanse, the enormity that first strikes man's senses when faced with the ocean..." and added "... we have succeeded in making it shrink by sailing faster and faster."

As they land on the island with its superb beaches, mountain scenery and welcoming climate they might also recall

Mark Twain's sentiments. "God took one look at Mauritius and then used it as a model for paradise."

From the spectacular Rocher de la Rivière to the striking landscape around Chamarel, the island is a pageant of color. With its golden beaches and clear blue sea, this small, volcanic landmass is as diverse as the people that have made it their home.

Bathe off the beach of Tambaran in the shadow of the Black River Mountain, or at Pereybere between Grand Baie and Cap Malheureux. At Choisy there are facilities for sailing and water-skiing. Further along the coast, Grand Gaube is an ideal spot for fishing.

Alternatively, windsurf across the sheltered waters of a lagoon or join the more experienced surfers as they brave the open seas beyond the reef. Connoisseurs will also add skin diving, yachting and big game fishing to the list of pleasures that paradise provides.

During the festival, special events will include the national wind-surfing championships at Grande-Baie (6-8 September),



Central market in Port Louis.

the World Hobie 14 championships at Trou aux Biches (23-30 September), the International Big-Game Fishing Competition at Rivière Noire (18-25 October) and the National Swimming Gala in Beau Bassin. Above all else, the International Ocean Festival is a celebration of the sea and its many varied forms.

A party of three hundred visitors from India, including two cabinet ministers, will form the largest delegation. The sub-continent's links with Mauritius will be graphically portrayed by an exhibition that traces the course of Indian marine history. A team of marine biologists, led by S.Z. Qasim, will join in a series of seminars on the sea and its environment and R.V. Sagar Kanyar, one of the most modern oceanographic research vessels in the world, is also scheduled to visit the

island. The arts are represented by an array of entertainment that will be coordinated by Professor Sonckalke, a former director of the MELA in Paris. He is responsible for bringing two of the famous Ghazal singers — Jagjit and Chitra Singh — to perform at La Citadelle.

France has helped to renovate this historic fortress which will form an atmospheric background for son et lumière as well as provide the stage for other shows throughout the festival. Mr. F. Léotard, the French Minister of Culture and Mr. Michel Aurillac, the Minister of Cooperation, head their country's official delegation, while Catherine Demeuve, Gérard Depardieu and Yves Montand are expected for the French film festival. In the field of song, France will be represented by Karim Kacel and his

musicians. Professor Alain Bombard will discuss the sea and its environment, and both France and India will be staging fashion shows on the island.

From Britain, the Duke and Duchess of York will be arriving to open a ten-day extravaganza during which the Crown Jewels will be on display; one of the few occasions that these priceless gems have travelled so far afield from their home in the Tower of London. Other entertainment includes a



The beach at Pereybere.

chance to see the musical Jesus Christ Superstar and cultural activities organized by the British Council.

Among the other highlights, there will be songs and handicraft from Pakistan, the South Korean trade fair and a troupe of musicians and dancers from Egypt. Along with others, the American delegation will be lending its expertise to an Arts and Science Committee headed by the Vice-Chancellor of the University of Mauritius.

The first voyages of exploration, the small ships that sailed from England to Australia, the

romance and reality of the sea... these stories will all be re-told at the International Sea Festival. From Australia, a flotilla of ships will sail into Mauritian territorial waters on 23 October. Their flagship, constructed from plans found in the archives of the British Admiralty, is a perfect replica of the original HMS *Bounty*. But this time there will be no mutiny. Instead of bread-fruit plants, the crew have packed snorkeling and diving equipment, sailboards and fishing gear. Why not join them in Mauritius for the Festival of the Ocean?

A brilliant pageant is already planned for the opening of the International Ocean Festival in Port Louis harbor. By capturing the color and contrast of Mauritius' multifaceted culture it should provide a spectacle to rival the carnival in Rio. "That is our dream," says the Deputy Prime Minister Sir Gaeten Duval.

The World's Best-Kept Secret

QUEEN Victoria would not have been amused; aware of the island's existence, she assumed it was in the West Indies. Darwin was drawn to its shores in his quest for the origin of the species. Nicholas Pike, newly appointed consul, searched for details of the island in vain.

Over a century later, Mauritius is as intriguing as ever. Despite the services of a dozen international airlines it remains an unspoiled tropical paradise, free from chaos and crowds — a place where the nearest thing to an oil slick is an empty bottle of Ambré Solaire, and the only line across the beach is the horizon. To those who know and love her, Mauritius is a well-kept secret.

The 720 square miles of coral-fringed island lie 500 miles east of Madagascar on latitude 20 degrees and longitude 57 degrees. Discerning travellers will already have added this destination to their itinerary. For, as Darwin learned, the secret of success is natural selection and as Anerood Jugnauth, the island's Prime Minister, explains: "Selective tourism providing the very best for a first-class clientele attracts an adventurous and enlightened set of holiday makers to our shores."

It wasn't always like that. After his arrival in 1868 the hapless Nicholas Pike wrote: "I returned to my dirty, uncomfortable hotel; and after passing a miserable night, rose at daylight weary and sick. What with bugs, mosquitoes and cockroaches, the knocking

about of billiard balls till late and the loud laughter and gossiping of the servants, sleep was impossible. If this is a specimen of a first class hotel in Mauritius, Heaven bless those obliged to put up with the second and third class."

His contemporary, Mark Twain, marvelled at the magnificence of his surroundings rather than the paucity of his lodgings. The secret of Mauritius' appeal has always been its unspoiled natural beauty, but today's visitors can rely on finding world class facilities as well.

National independence in 1968 marked the start of a new era. The economy, which had relied almost entirely on the annual sugar cane crop, took on a fresh lease of life. Within a few years, four luxury hotels had been built and their imme-

diated success soon attracted further foreign investment. With the government's assistance and the growth of Mauritius' own national airline, selective tourism flourished. The statistics tell their own story. In 1968 there were only 15,000 visitors, by 1986 over ten times that number were expected. The industry has become the third largest in the island and now involves nearly 10 percent of the entire population.

Today the Mauritian Association of Hoteliers and Restaurateurs (AHRIM) includes 32 hotels and 16 restaurants. From luxury hotels such as the Trou aux Biches, La Pirogue or Le Touessrok to small seaside resorts such as the Villa Caroline and Etoile de Mer, they all reach international standards.

Professional hoteliers claim that a luxury hotel should cater for no more than 400 guests. In Mauritius, with its limited edition of 2500 rooms, every visitor is a VIP.

Mauritius has always welcomed the traveller to its shores. Its cosmopolitan blend of Indian, Asian, Chinese, African and European influences has produced a race of people that are unique, unforgettable and a joy to know. Furthermore, over 90 percent of them are bilingual.

In the hotels and restaurants food is the order of the day. Close your eyes and you could be in a Rive Gauche café, the heart of Madras, Beijing or Port-au-Prince. As well as French, Indian, Chinese and Creole delicacies, there is an eclectic island cuisine that draws on all four traditions. The local seafood is excellent

and most menus also offer venison, hare and wild boar as well as fresh tropical fruit.

Nearly all the beach hotels provide amenities for tennis, golf, swimming, water-skiing, sailing, snorkelling and fishing. Divers can explore the rich variety of life in the water round the island; deep sea fishermen can enjoy the chase for blue and black marlin, wahoo, shark or tuna. Each evening the entertainment continues with live music, discotheques, a dance show or turn in the casino. Outside, there is always the quiet of the night and a sky full of stars to dream by.

During the International Ocean Festival, this exclusive stretch of the Indian Ocean is certain to be livelier, livelier, more welcoming than ever. But for those who have already experienced her magic and her mystery, she remains as constant and unchanging as the sea.

Hotels Members of AHRIM:

Are en Ciel, Auberge du Petit Cerf, Auberge Ile de France, Beachcomber Club, Belle Mare Plage, Blue Lagoon, Casuarina Village Vacances, Centre de Pêche, Charivari, Compagnie des Océanides, Continental, El Monaco, Etoile de Mer, Gold Crest, Hibiscus Village Vacances, La Pirogue, La Croix du Sud, Le Kestrel, Le Saint Géran, Le Touessrok, Les Hôtels de Mer, Marille, Pearl Beach Sunset, P.M. Amr, Royal Palm, Riverside, Rivière Noire Hotel, Shanghai, Tamarin, Touessrok, Trou aux Biches, Villas Caroline, Villas Pointe aux Roches.

Restaurant Members of AHRIM:

Au Gourmet, Blue Mauritius, Cerf Point, Dragon d'Or (La Mère), Ile aux Cerfs, La Bonne Marille, La Fleur Lée, La Méditerranée, La Nouvelle Patinoire, Roly's Steak House, Sahara, Tropica.

association des hôteliers et restaurateurs de maurice

A.H.R.I.M.

INFORMATION

Hotels	
1. Are en Ciel	Baie du Tombeau
2. Auberge du Petit Cerf	23 Anderson St. Curepipe
3. Auberge Ile de France	Grand Bay
4. Beachcomber Club	Melroseburg
5. Belle Mare Plage	Pointe de Pêche
6. Blue Lagoon (C/o Poupard & Co.)	J.J. Kenway St. P. Louis
7. Casuarina Village Vacances	Trou aux Biches
8. Centre de Pêche	Rivière Noire
9. Charivari	Paratyane
10. Compagnie des Océanides	Grand Bay
11. Continental	Curepipe
12. El Monaco	St. Jean Road, Quatre-Bornes
13. Etoile de Mer	Trou aux Biches
14. Gold Crest	Quatre-Bornes
15. Hibiscus Village Vacances	Royal Road, St. Louis
16. La Croix du Sud	Pal. Jerome Melroseburg
17. La Pirogue	Wolmer, Fie en Roc
18. Le Kestrel	Pointe Laboyette
19. Les Hôtels du monde	Casa Novice
20. Marille	Grand Baie
21. Pearl Beach Sunset	Wolmer, Fie en Roc
22. P.M. Amr	Man Choek
23. Royal Palm	Grand Baie
24. Riverside	Belle Rose
25. Rivière Noire Hotel	Rivière Noire
26. Shanghai	W. Churchill St. Curepipe
27. St. Géran	Pointe de Pêche
28. Tamarin	Tombeau Bay
29. Touessrok	Trou d'au Douce
30. Trou aux Biches	Trou aux Biches
31. Villas Caroline	Fie en Roc
32. Villas Pointe aux Roches	Chemin Genter

Restaurants	
33. Au Gourmet	Road de Jardin, Curepipe
34. Blue Mauritius	Rose-Hill
35. Cerf Point	Dunes de Estroing St. Louis
36. Dragon d'Or (La Mère)	55-56, Royal Road, P. Louis
37. Ile aux Cerfs	Trou d'au Douce
38. La Bonne Marille	18, St. W. Newton St. P. Louis
39. La Fleur Lée	Interdiction St. P. Louis
40. La Méditerranée	Hillcrest Building, St. W. Churchill St. Curepipe
41. La Nouvelle Patinoire	Royal Road Grand Baie
42. Le Kestrel	7, C. Avenue St. Louis
43. Le Touessrok	Royal Road, Curepipe
44. Marille	St. Jean Road, Quatre-Bornes
45. Nobby's Steak House	St. Jean Road, Quatre-Bornes
46. Roly's Steak House	c/o K.E.S.A., Camé Road, P. Louis
47. Sahara	Royal Road, Curepipe
48. Tropica	

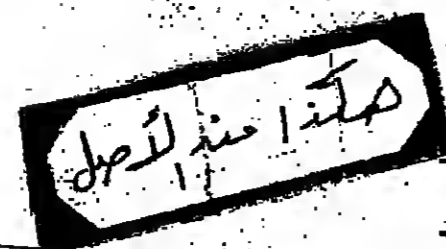
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The success of Air Mauritius may be accounted for, to a large extent, by the intensive human resources the airline has at its disposal. From management planning abroad with vision to the cabin crew smiling up and down the corridor offering to the weary traveller a warm and friendly atmosphere, the blue laces of Mauritius may be seen through a haze of a warm and friendly atmosphere, the blue laces of Mauritius may be seen through a haze of a warm and friendly atmosphere, the blue laces of Mauritius may be seen through a haze of a warm and friendly atmosphere.

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Table listing various market statistics such as AMEX prices, NYSE prices, and interest rates.



ECONOMIC SCENE

U.S. Corporate Wisdom: If You Can't Beat 'em, Quit

By LESTER C. THUROW

LOS ANGELES — Every country has a comparative advantage — the thing it does best. The problem is to figure out where one's comparative advantage lies. So among all the things that America does, what does it do best? The answer is very simple. What American companies do best is go out of business. No one in the world goes out of business faster, with less cost, or with less regret than U.S. companies.

Recently I was talking with some consultants in a strategic planning firm about situations in which Japanese, European and American companies find themselves in an industry with excess capacity. The planners said that they always tell their American clients to go out of business.

The Japanese mind-set, however, is against abandoning an industry. Japanese companies are willing to listen only to strategies for conquering an industry. In the game of economics, the Japanese know only how to play offense.

The Europeans also are uninterested in strategies for going out of business. They remind their consultants that their government regulations require them to hold on to their employees so long and make it so difficult to fire anyone or to close down a facility that it is simply too expensive to go out of business.

No matter how much money they are losing in the industry, they would lose more if they left it. They are interested in advice only about holding onto existing market share. If necessary, the Europeans are willing to play defense forever in economics.

Given this reality — the Japanese won't leave, the Europeans can't leave — the consulting firm reports its intelligence to its U.S. clients and recommends that they promptly abandon the industry. With offensive and defensive positions already taken, there is no room for American players. Usually this advice is taken without grumbling.

If you wished to design an economy that specialized in going out of business, you could not have designed a better one than the U.S. economy. America is the only country in the world where labor is genuinely a variable cost. Workers can be fired instantly with no severance pay. In fact, no large payments have to be made to labor if you want to get out of a business.

ON the capital side, demands for high rates of return on investment mean that U.S. companies fall below their capital hurdle rates before foreign companies do. In other words, Americans will quit investing in new facilities while the Europeans and Japanese still are investing. This leaves Americans with older, more fully depreciated capital equipment. The result is fewer uncovered capital costs when one abandons a production facility. The capital costs of leaving an industry are usually much lower for Americans.

U.K. Firm May Bid For Stores

Mountleigh Aims At Conran Chain

LONDON — Mountleigh Group PLC, a property company, said Friday that it was considering bidding for Storehouse PLC, Sir Terence Conran's retail chain, which has been at the center of takeover speculation.

Storehouse replied that "any offer would be unwelcome, opportunistic and wholly lacking in commercial logic."

It said it had not received a formal approach from Mountleigh and asked Mountleigh to clarify its intentions.

Mountleigh said its plans were at a "very early stage."

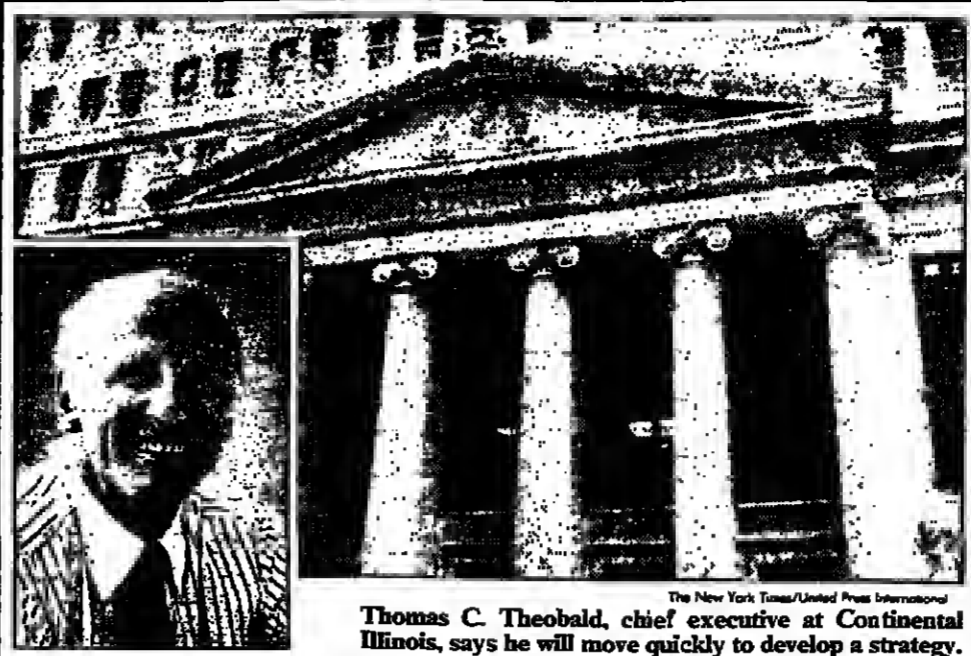
Mountleigh's financial adviser, Phillips & Drew, said the company was interested in buying Storehouse to sell off its pieces for a profit.

Storehouse operates about 900 stores in the United States and Europe that sell stylish furniture, houseware and clothes. The stores operate under the names of British Home Stores, Habitat, Mothercare and Conran's.

Mountleigh said it was pressured into making an announcement prematurely by the British Takeover Panel, which said that all interested parties had to declare their bid intentions.

"We feel a little hard done by being forced to be so candid," said James Hyslop, director of corporate finance at Phillips & Drew.

A bid for Storehouse has been expected after reports last month that competing British retailers had each acquired stakes of less than 5 percent in the company.



Thomas C. Theobald, chief executive at Continental Illinois, says he will move quickly to develop a strategy.

Continental in Search of a Strategy

New Chairman Faces Tough Job to Turn Bank Around

By Robert A. Bennett
New York Times Service
CHICAGO — Thomas C. Theobald has a big job ahead of him.

In taking over as chairman and chief executive of Continental Illinois Corp., the former Citicorp vice chairman will be heading an organization that remains crippled three years after the U.S. government rescued it from the brink of collapse.

This presents Mr. Theobald with the opportunity at Continental to create a turnaround similar to the one achieved by Alfred Brittain 3d at Bankers Trust Co. Bankers Trust was financially shaken in the mid-1970s yet today is one of the strongest and most profitable banks in the United States.

Some in the industry believe that Mr. Theobald may use a strategy similar to Mr. Brittain's, narrowing Continental's focus and turning it into the equivalent of a merchant bank, which combines the activities of a commercial and investment bank.

In July 1984, the Federal Deposit Insurance Corp. poured \$5 billion into the bank when it nearly failed, largely because of huge problem loans to the energy business.

Three years later, the bank's earnings remain anemic. Had it not been for a slew of nonrecourse factors, it would have reported a loss in 1986.

Meanwhile, Continental has shrunk dramatically, from a peak of \$47 billion in assets in 1981 to \$33.4 billion currently. From the sixth-largest U.S. bank holding company in 1981, Continental has fallen to 14th.

Dollar Lower On Wider U.S. Trade Deficit

NEW YORK — The dollar closed lower Friday in sometimes hectic trading in response to an unexpected widening in the U.S. merchandise trade deficit in June, dealers said.

After tumbling as much as two pennings and two yen in early activity, however, the dollar gained its losses as participants scooped up "cheap dollars" on bargain hunting and technical-related buying, dealers said.

The trade figures also caused prices on the New York Stock Exchange to fall at the opening, but the market recovered somewhat after the government released positive figures on wholesale prices, industrial production and business sales.

The dollar traded as low as 1.8675 Deutsche marks, but recovered to close at 1.8785, still down more than a penny from 1.8893 on Thursday.

It was a similar story against the yen. The dollar traded down to 149.10 yen, before closing on Thursday's closing of 151.525.

The dollar also closed at 6.3765 French francs, down from 6.3095, and at 1.5610 Swiss francs, down from 1.5695.

The dollar was also lower against the British pound, which closed at \$1.5875, against \$1.5790 Thursday.

The widening in the June trade deficit to \$15.71 billion from \$14.04 billion the previous month far exceeded market expectations of a trade gap of around \$13 billion.

Participants had expected a narrowing deficit, in part because the June figures were revised to reflect previous underestimates of U.S. exports to Canada.

"When the figures first flashed, you could hear the jaws clapping around Wall Street," said Lawrence Ryan, senior vice president and manager for foreign exchange at European American Bank.

Dealers, in the words of one, were "flabbergasted" by the broadening of the trade figure.

They said that early trading was chaotic, with participants unloading dollar positions that had been taken on expectations of a trade improvement.

Consequently, the larger-than-expected rise in July in U.S. industrial output had little impact on the dollar, dealers said.

Now did the slim rise in producer See DOLLAR, Page 13

U.S. Wholesale Prices, Output, Business Sales Up

WASHINGTON — The U.S. government issued a string of positive economic reports Friday that showed a modest increase in wholesale prices, a jump in industrial production and a healthy rise in business sales.

The data came in counterpoint to another report, starting to most analysts, that the merchandise trade deficit had widened in June to an apparent monthly record of \$15.7 billion.

The Labor Department said that wholesale prices edged up 0.2 percent in July. Large increases in gasoline and heating oil costs were offset by slightly lower food prices.

The July increase followed a 0.2 percent jump in June and a 0.3 percent rise in May. The report bolstered Reagan administration predictions that inflation would slow to the second half of 1987.

Meanwhile, production at U.S. factories, mines and utilities climbed 0.8 percent in July, the biggest rise in 15 months, with producers of business goods leading the way, the Federal Reserve said.

The 0.8 percent gain follows revised growth estimates of 0.7 percent to May and 0.4 percent in June. The May figure had been originally reported as 0.5 percent and the June gain at 0.2 percent.

The July increase in output was encouraging, with the gains widespread among products and materials, the Fed said.

Manufacturing output was up 0.8 percent in July after rising 0.3 percent in June. Production of durable goods, items expected to last three years or more, rose 0.8 percent while output of nondurable goods jumped 0.9 percent.

In a separate report, the Commerce Department said that U.S. business inventories rose \$2.55 billion, or 0.4 percent, in June to a seasonally adjusted \$674.16 billion, following a revised 0.9 percent increase in May.

The May rise in inventories had been reported at 0.7 percent. But business sales rose 1.5 percent in June after rising by 0.4 percent in May, the department said.

The wholesale price figures were especially encouraging. Inflation in wholesale prices had been running at an annual rate of 4.2 percent. July's increase, if it persisted for 12 months, would amount to an annual inflation rate of just 2 percent.

The Reagan administration is predicting that by the end of the year, increases in both wholesale and retail prices will slow by a full percentage point from the annualized gains recorded in the first six months of the year.

"After a temporary increase early this year, inflation is returning to the 4 percent range characteristic of the first three years of the current expansion," said Beryl W. Sprinkle, chairman of President Ronald Reagan's Council of Economic Advisers.

In the wholesale price report, the Labor Department said food prices dropped 0.6 percent after large advances in the preceding three months. Energy prices rose 1.5 percent, led by a 2.5 percent gain in gasoline prices.

Prices for products other than food and energy rose 0.2 percent, equal to the rise in the overall index. Capital equipment costs edged up 0.1 percent; consumer product costs gained 0.3 percent, and car prices were unchanged.

(AP, UPI, Reuters)

Currency Rates

Table showing currency rates for various countries including Amsterdam, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and others.

Table showing other dollar values for currencies such as Australian, Canadian, Hong Kong, Indian, Japanese, Korean, and others.

Interest Rates

Table showing Eurocurrency deposits for 1 month, 3 months, 6 months, and 1 year terms.

Table showing key money rates for various banks and currencies.

Table showing Asian dollar deposits for 1 month, 3 months, 6 months, and 1 year terms.

Table showing U.S. money market funds for various categories.

Table showing world government bonds for various countries.

Table showing gold prices for various locations.

U.S. Spy Agencies' Do-It-Yourself Approach to Supercomputers

By David E. Sanger
New York Times Service

LANHAM, Maryland — More than three decades ago, after struggling through pioneering computer projects with names like Eniac, Crayco and even Maniac, the U.S. government gave up trying to build the world's fastest computers by itself.

The expense and the technological hurdles convinced officials that private industry was better equipped to define the state of the art.

Now, frustrated by the reluctance of major computer makers to plunge into a new, risky computer technology, the Defense Department and U.S. intelligence agencies are spending tens of millions of dollars in a renewed, largely secret effort to build their own machines.

In a sprawling unmarked building in Lanham, about 45 minutes from downtown Washington, the National Security Agency has assembled 40 of the top U.S. computer engineers at its new Supercomputing Research Center and hopes to recruit 60 more. Their task is to satiate the NSA's constant appetite for faster computers, the critical tools for everything from making and breaking codes to finding subtle changes in military sites photographed from spy satellites.

Ultimately, the center expects to build prototypes of highly specialized machines, a breed of supercomputers called parallel processors. Most experts believe these will eventually be able to outpace — by multiples of 10 or 100 — the fastest supercomputers now available.

"All that we are about here is speed," said Paul B. Schneek, director of the NSA research center, who previously spent two decades at the National Aeronautics and Space Administration and the Office of Naval Research.

"Parallel processing represents the only way to increase computer speeds dramatically," he said. "When it became clear that much of the industry wasn't coming along, for their own competitive reasons, we decided direct action was necessary."

Whether that direct action is wise, however, is already a subject of considerable debate within the industry. Executives of several leading manufacturers privately question whether the government has enough expertise to enter the expensive, complex world of supercomputer design.

To counter such fears, the NSA has allowed the new research center to raise, at least partly, the curtain of secrecy.

Probe at Bundesbank Pursues Possibility of Insider Trading

FRANKFURT — Police officials said Friday that papers seized last week from a senior secretary at West Germany's central bank may have uncovered a case of trading on inside information.

Police raided the office and home of a secretary to the Bundesbank president, Karl Otto Pöhl, on the suspicion that she had sold information to a fugitive currency broker believed to be involved in a multimillion dollar fraud at Volkswagen AG. An arrest warrant for the broker, Joachim Schmidt, was issued in May.

Carl Hermann Retemeyer, chief prosecutor for the state of Brunswick, which is investigating the VW case, declined to give details of the papers seized from the secretary.

Mr. Retemeyer said the secretary hadn't been arrested and had refused to be questioned until she had consulted a lawyer.

Asked whether the papers could point to the sale of sensitive information from the central bank, Mr. Retemeyer said: "That is thoroughly possible."

"We know some things, we suspect many things and there are many things we do not know," he said.

Frankfurt bankers expressed shock that the VW investigation had spread to the Bundesbank.

Confidential information available to a secretary of the Bundesbank president could be worth millions of marks to a currency broker, dealers agreed.

Central bank decisions to change interest rates or to intervene in foreign exchange markets are carefully guarded. Such decisions typically result in sharp movements up or down for the target currencies, and in big profits or losses for brokers who are in the market at the time.

Executives of several leading manufacturers privately question whether the government has enough expertise to enter the expensive, complex world of supercomputer design.

Advertisement for VALUE-LINE Comprehensive Coverage of 1700 American Stocks to European Investors.

Advertisement for HARRY WINSTON jewelry, featuring their latest creations and a selection of their rarest stones.

Advertisement for CARLTON INTER-CONTINENTAL Cannes, running from August 14 to August 16, 1987.

Burlin Substa

Thorn to Sell In Field To J.C. Thom

Fujitsu Pack Said to End Fairchild

Wolters, Re

SCENE

Wolters, Re

friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

Symbol	High	Low	Open	Close	Change
IBM	114.00	113.00	113.50	113.50	-0.25
AT&T	48.00	47.50	47.75	47.75	-0.10
GE	34.00	33.50	33.75	33.75	-0.15
Westinghouse	28.00	27.50	27.75	27.75	-0.10
Johnson & Johnson	52.00	51.50	51.75	51.75	-0.15
Merck	48.00	47.50	47.75	47.75	-0.10
Pfizer	32.00	31.50	31.75	31.75	-0.15
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

Symbol	High	Low	Open	Close	Change
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

Symbol	High	Low	Open	Close	Change
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

Symbol	High	Low	Open	Close	Change
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

Symbol	High	Low	Open	Close	Change
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

Symbol	High	Low	Open	Close	Change
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

Symbol	High	Low	Open	Close	Change
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

Symbol	High	Low	Open	Close	Change
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

Symbol	High	Low	Open	Close	Change
Amgen	28.00	27.50	27.75	27.75	-0.10
Boehringer	24.00	23.50	23.75	23.75	-0.10
Novartis	20.00	19.50	19.75	19.75	-0.10
Roche	16.00	15.50	15.75	15.75	-0.10
Sandoz	12.00	11.50	11.75	11.75	-0.10
Novartis	8.00	7.50	7.75	7.75	-0.10
Roche	4.00	3.50	3.75	3.75	-0.10
Sandoz	2.00	1.50	1.75	1.75	-0.10

U.S. Futures

Via The Associated Press

Aug. 14

Grains

Symbol	High	Low	Open	Close	Change
WHEAT (CBT)	1.25	1.24	1.24	1.24	-0.01
CORN (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEANS (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEAN MEAL (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEAN OIL (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01
FEEDER CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
HOGS (CME)	1.25	1.24	1.24	1.24	-0.01
PORK BELTIES (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
WHEAT (CBT)	1.25	1.24	1.24	1.24	-0.01
CORN (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEANS (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEAN MEAL (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEAN OIL (CBT)	1.25	1.24	1.24	1.24	-0.01
CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
FEEDER CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01
HOGS (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
PORK BELTIES (CME)	1.25	1.24	1.24	1.24	-0.01
WHEAT (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
CORN (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEANS (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEAN MEAL (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEAN OIL (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01
FEEDER CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
HOGS (CME)	1.25	1.24	1.24	1.24	-0.01
PORK BELTIES (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
WHEAT (CBT)	1.25	1.24	1.24	1.24	-0.01
CORN (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEANS (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEAN MEAL (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEAN OIL (CBT)	1.25	1.24	1.24	1.24	-0.01
CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
FEEDER CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01
HOGS (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
PORK BELTIES (CME)	1.25	1.24	1.24	1.24	-0.01
WHEAT (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
CORN (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEANS (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEAN MEAL (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEAN OIL (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01
FEEDER CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
HOGS (CME)	1.25	1.24	1.24	1.24	-0.01
PORK BELTIES (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
WHEAT (CBT)	1.25	1.24	1.24	1.24	-0.01
CORN (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEANS (CBT)	1.25	1.24	1.24	1.24	-0.01
SOYBEAN MEAL (CBT)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
SOYBEAN OIL (CBT)	1.25	1.24	1.24	1.24	-0.01
CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
FEEDER CATTLE (CME)	1.25	1.24	1.24	1.24	-0.01
HOGS (CME)	1.25	1.24	1.24	1.24	-0.01

Symbol	High	Low	Open	Close	Change
PORK BEL					

CURRENCY MARKETS

DOLLAR: Currency Lower on U.S. Trade Data

(Continued from first finance page) prices in July help market sentiment... The dollar eventually met support around the 1.6880 mark level...

London Dollar Rates table with columns for Country, Par, and Rate. Includes entries for Canada, France, Germany, Italy, Japan, and Switzerland.

Thursday and on the strong U.S. retail sales figures released Thursday... Sterling was largely sidelined Friday as attention focused on the dollar...

Pressure Grows For Realignment Of EMS Rates

FRANKFURT — The European Monetary System's joint currency float is showing renewed signs of tension that could lead to a major realignment within the next few months, analysts said Friday...

BANK: At Continental Illinois, New Chairman Faces Tough Rebuilding Job

(Continued from first finance page) The bank's earnings have been poor because of its traditional dependence on business from big multinationals corporations...

When they do borrow from banks, it is at extremely low interest rates, only a touch higher than the rates Continental itself pays for funds...

Continental also sold its London merchant bank just before the FDIC bailout, partly to raise money and partly because it could not attract deposits...

Mr. Swearingen said in an interview that costs remain high partly because of legal expenses from the 1984 collapse, which led to huge lawsuits against the bank...

The bank's earnings are being hurt, in part, because it sold off profitable businesses to raise cash before the FDIC rescue.

It has been that, except for its Latin American loans, its balance sheet has not been growing and therefore its Third World loans remain a relatively high percentage of its overall assets...

TRADE: U.S. Deficit Balloons to \$15.71 Billion, in Shock to Administration

(Continued from Page 1) \$36.84 billion, from \$34.82 billion the month before... Exports, also increased, but more modestly — to \$21.13 billion from \$20.78 billion in May...

A 0.8 percent rise in U.S. industrial output, reported Friday, and a gain of 70,000 manufacturing jobs, reported last week, seemed to point to a continued rebound in the U.S. industrial sector...

Commerce Department officials said earlier this week that they would start using Canadian figures on shipments from the United States into Canada, asserting that they were more reliable than U.S. figures...

Some analysts said that improvement in the U.S. trade gap "has slowed dramatically and suddenly," Mr. Lieberman said, adding that the deterioration would not be reversed easily...

New York Stock Exchange Listings, Volume Set Records in First Half

NEW YORK — The New York Stock Exchange said Friday that a record 72 companies started listing their stock on the exchange in the first half of 1987, bringing the number of listed companies to 1,613...

On the plus side, thanks to the FDIC's infusion of funds, Continental has a fairly strong capital base that will give Mr. Theobald flexibility in any possible restructuring...

Friday's OTC Prices NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Large table of OTC stock prices with columns for 12 Month High/Low, Div. Yld., and various stock symbols like ABC, DEF, GHI, etc.

Large table of NYSE stock prices with columns for 12 Month High/Low, Div. Yld., PE, and various stock symbols like A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

- ACROSS**
- 1 Molten-metal carrier
 - 6 Memphis golfer
 - 10 Parts of dolls
 - 13 Danish cape, with "The"
 - 17 Oil in Hamburg
 - 19 Snapshot
 - 21 Londoner's subway
 - 22 Third of a series
 - 23 Pass receiver Collinsworth
 - 24 Kind of quarter
 - 25 Corrida sounds
 - 26 Presley vending song: 1953
 - 30 One of the Hebrides
 - 31 Wylie's "The Orphan"
 - 32 Glacial ridge
 - 33 Presley estate
 - 37 Unfruitful
 - 38 Peruvian clothing
 - 40 Latin conjunctions
 - 41 Anthropologist Margaret
 - 42 She wrote "Delta of Venus"
 - 43 Fannie follower
- DOWN**
- 12 Oppressive
 - 13 Facing a glacier
 - 14 Farmer opposed to Soviet collectivization
 - 15 White poplar
 - 16 Rodent robber-hoarder
 - 17 Soup vessels
 - 18 Brought into agreement
 - 19 Diner order
 - 20 What the Light Brigade did
 - 21 Walk like a two-year-old
 - 22 On foot, in Paris
 - 23 Followed out
 - 24 Supple
 - 25 Jason's first wife
 - 26 en scene
 - 27 Leaf cutters
 - 28 Selves
 - 29 Edmonton hockey team
 - 30 Studio feature
 - 31 Come again
 - 32 Intersecting vaults' edge
 - 34 Pocahontas's spouse
 - 35 On foot, in Paris
 - 36 Followed out
 - 37 Supple
 - 38 Jason's first wife
 - 39 en scene
 - 40 Leaf cutters
 - 41 Selves
 - 42 Guidon note
 - 43 Commuter's delight
 - 44 Sis, e.g.
 - 45 Some switches
 - 46 Lures

Elvis By Joy L. Wouk

- DOWN**
- 55 Emerald and aquamarine
 - 56 Of a region
 - 60 Genetic material
 - 62 Rave's partner
 - 63 Treat with a certain antiseptic
 - 64 Small amounts
 - 65 Cow, in Vigo
 - 66 Down with, in Dujon
 - 67 ang, swinging stride
 - 68 Twos, in Roma
 - 69 Violinist-composer
 - 70 Vivaldi
 - 71 Touque or
 - 72 Did not Allen
 - 73 Kind of goat or trip
 - 74 Pierre's aunt
 - 75 Besmirch
 - 76 Most transparent
 - 78 "—evil"
 - 82 Court jargon
 - 84 Vicuña's milieu
 - 88 Met zealot
 - 89 Halo
 - 90 Bobble
 - 93 Kissinger's "—Restored" ... 1957
 - 94 African desert
 - 95 Lonely, in Ems
 - 96 City in India
 - 97 Try
 - 98 Yellow-fever vector
 - 99 Wolflike carnation eater
 - 103 Prefix with horn or cycle
 - 104 Electrical resistance units
 - 105 New Rochelle college
 - 106 —de Londres (ribbed silk)
 - 107 Coal scuttles
 - 108 Shoe insertion

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- DOWN**
- 1 Trademark
 - 2 Senator Cranston
 - 3 Attica division
 - 4 Tamarack part
 - 5 Card game for two
 - 6 Rodent robber-hoarder
 - 7 Soup vessels
 - 8 Brought into agreement
 - 9 Diner order
 - 10 What the Light Brigade did
 - 11 Walk like a two-year-old
 - 12 Oppressive
 - 13 Facing a glacier
 - 14 Farmer opposed to Soviet collectivization
 - 15 White poplar
 - 16 Rodent robber-hoarder
 - 17 Soup vessels
 - 18 Brought into agreement
 - 19 Diner order
 - 20 What the Light Brigade did
 - 21 Walk like a two-year-old

WAR GAMES: The Secret World of the Creators, Players, and Policy Makers Rehearsing World War III Today

By Thomas B. Allen. 402 pages. \$19.95. McGraw-Hill Book Co., 1221 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Paul Bracken

THE nuclear war game — a simulated super-power conflict in which high-level players test war plans by means of computer analyses — is a part of the lore of the atomic age. Along with Dr. Strangelove and the "black bag" of war codes that accompanies the president, war games are the subject of fascination among people who concern themselves with the problems of national security and danger.

Public interest in the subject is different from that of the insider professionals who design these games. If Thomas B. Allen's book "War Games" is a fair description of the war-gaming industry today, as I believe it is, inside this secret world, process dominates subject matter, and there is greater interest in perfecting arcane methods than in outlining down conclusions about preferred policies. More fundamentally, there is a kind of relaxed everydayness attached to the business, and a view that it is indeed

BOOKS

a business with marketing fads, competitive infighting and nasty comments about the field as a whole. For insiders, war gaming develops a familiar, video routine that reminds one more of managing a video store or chess shop than of running a nuclear crisis. Allen's book is an interesting account of war gaming today, three decades after the excitement of the pioneering work in the 1950s has worn off. Back then the problems were new, because nuclear weapons were new. People apparently thought nuclear war was something of a possibility. No longer, as Allen lets us know. Current sophisticated thinking discounts the likelihood of the big war, and one of the problems in war gaming today is to get the game to go nuclear. Allen asserts that Pentagon games have to be rigged in get a nuclear escalation, and that one advantage of replacing human beings with role-playing computer programs is that escalation becomes much easier.

The strength of "War Games" lies in its insights, like the difficulty of getting human players on either the Soviet or American sides to initiate nuclear war. Games capture insights and experiences that are not written down anywhere else, so books such as this become important vehicles for communicating within the large defense establishment. In a European

the Soviets detonate a high-altitude nuclear explosion, the radiation from which knocks out NATO's radios and radar. NATO then must negotiate in the blind, or escalate without knowing what's really going on. Or consider the Soviet nerve gas attack in a different war also played in Europe: "Very few of the base personnel had managed to get into their protective gear in time..." Both the command-and-control blackout problem and the inability of NATO forces to protect themselves from chemical attack are real concerns that might be ignored even more than they are were it not for the forced attention arising from their examination in war games.

"War Games" is full of anecdotes, comments, digressions and after-hours gaming stories that are the best part of the book. These after-hours tales often contain much more interesting material than do the official game reports written within the bureaucracy. They give an intuitive feel for how people face what at bottom are impossible decisions, and they are not restricted to committee conclusions that might be offensive, and they are dominated by consideration of process and method rather than subject.

Allen also does a good job of poetically describing an all-too-common gaming phenomenon of the 1980s: the rigged game. Some games are designed by tamed consultants to endorse pet Army or Navy views, the reward for which is often a consulting contract. Indeed, within the gaming industry there are some large annual simulations whose outcomes are so tightly controlled by their sponsors that they are widely viewed as advertising campaigns.

Thomas Allen's "War Games" may strike some as a bit disconnected, without an overarching theme connecting the scores of games and research centers that he describes. However, this is actually a feature of the gaming field in the 1980s, and is something the author cannot be faulted for. His book should be seen as an interesting update on a fascinating and important subject.

Paul Bracken, professor of public policy at Yale University, is the author of "The Command and Control of Nuclear Forces." He wrote this review for The Washington Post.

Solution to Last Week's Puzzle

DENNIS THE MENACE



"MR. WILSON'S SO HAPPY YOU'D THINK HE WAS THE ONE GOIN' TO VISIT UNCLE CHARLIE'S FARM!"

WEATHER

EUROPE		ASIA		AFRICA		LATIN AMERICA		NORTH AMERICA		MIDDLE EAST		OCEANIA	
High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Algeria	24	18	30	30	22	32	27	24	28	28	22	28	22
Amsterdam	20	14	22	22	16	28	22	18	24	24	18	24	18
Berlin	20	14	22	22	16	28	22	18	24	24	18	24	18
Bombay	28	22	34	34	26	36	30	24	30	30	24	30	24
Buenos Aires	20	14	22	22	16	28	22	18	24	24	18	24	18
Calcutta	28	22	34	34	26	36	30	24	30	30	24	30	24
Cairo	28	22	34	34	26	36	30	24	30	30	24	30	24
Caracas	28	22	34	34	26	36	30	24	30	30	24	30	24
Cebu	28	22	34	34	26	36	30	24	30	30	24	30	24
Colon	28	22	34	34	26	36	30	24	30	30	24	30	24
Delhi	28	22	34	34	26	36	30	24	30	30	24	30	24
Dhaka	28	22	34	34	26	36	30	24	30	30	24	30	24
Dublin	16	10	18	18	12	20	16	10	16	16	10	16	10
Edinburgh	16	10	18	18	12	20	16	10	16	16	10	16	10
Hankow	28	22	34	34	26	36	30	24	30	30	24	30	24
Hong Kong	28	22	34	34	26	36	30	24	30	30	24	30	24
London	16	10	18	18	12	20	16	10	16	16	10	16	10
Los Angeles	24	18	22	22	16	20	16	10	16	16	10	16	10
Manila	28	22	34	34	26	36	30	24	30	30	24	30	24
Medan	28	22	34	34	26	36	30	24	30	30	24	30	24
Memphis	24	18	22	22	16	20	16	10	16	16	10	16	10
Miami	24	18	22	22	16	20	16	10	16	16	10	16	10
Manila	28	22	34	34	26	36	30	24	30	30	24	30	24
Medan	28	22	34	34	26	36	30	24	30	30	24	30	24
Memphis	24	18	22	22	16	20	16	10	16	16	10	16	10
Miami	24	18	22	22	16	20	16	10	16	16	10	16	10
Manila	28	22	34	34	26	36	30	24	30	30	24	30	24
Medan	28	22	34	34	26	36	30	24	30	30	24	30	24
Memphis	24	18	22	22	16	20	16	10	16	16	10	16	10
Miami	24	18	22	22	16	20	16	10	16	16	10	16	10
Manila	28	22	34	34	26	36	30	24	30	30	24	30	24
Medan	28	22	34	34	26	36	30	24	30	30	24	30	24
Memphis	24	18	22	22	16	20	16	10	16	16	10	16	10
Miami	24	18	22	22	16	20	16	10	16	16	10	16	10
Manila	28	22	34	34	26	36	30	24	30	30	24	30	24
Medan	28	22	34	34	26	36	30	24	30	30	24	30	24
Memphis	24	18	22	22	16	20	16	10	16	16	10	16	10
Miami	24	18	22	22	16	20	16	10	16	16	10	16	10
Manila	28	22	34	34	26	36	30	24	30	30	24	30	24
Medan	28	22	34	34	26	36	30	24	30	30	24	30	24
Memphis	24	18	22	22	16	20	16	10	16	16	10	16	10
Miami	24	18	22	22	16	20	16	10	16	16	10	16	10
Manila	28	22	34	34	26	36	30	24	30	30	24	30	24
Medan	28	22	34	34	26	36	30	24	30	30	24	30	24
Memphis	24	18	22	22	16	20	16	10	16	16	10	16	10
Miami	24	18	22	22	16	20	16	10	16	16	10	16	10
Manila	28	22	34	34	26	36	30	24	30	30	24	30	24
Medan	28	22	34	34	26	36	30	24	30	30	24	30	24
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Memphis	24	18	22	22	16	20	16	10	16	16	10	16	10
Miami	24	18	22										

SPORTS

The Battling Yankees: Nary a Good Word Yet From the Man at the Top

By Michael Martinez
NEW YORK — Lou Piniella's job appears safe — at least for today — but George Steinbrenner, who will ultimately decide the fate of the embattled Yankee manager, is offering neither a guarantee nor a prediction of the immediate future.

duct a public battle that has festered for more than a week. Steinbrenner has still not forgiven nor forgotten. He said Thursday that he remained "disappointed, but not angry" at Piniella for failing to be in his Cleveland hotel room to receive a phone call about a player move.



NOW YOU SEE IT — The Brewers' Rob Deer steals second as Cal Ripken Jr. of the Orioles loses a throw from the plate.

VANTAGE POINT/George Vecsey
Lewis: A Hit Single, but No World Record

INDIANAPOLIS — He was going to be as big as Michael Jackson, according to his manager, but the book in the collection on that gold-medal night in 1984 squashed that goal faster than you could say "Victory Square."

Lewis, who will compete in the long jump and the 400-meter relay on Sunday afternoon, is 26 and has been a world-class competitor for nearly 10 years, with no end in sight. He is unbeaten in his last 50 long-jump competitions.

SCOREBOARD

Baseball
Major League Statistical Leaders
AMERICAN LEAGUE
Boston Red Sox 111 421 84 155 268
Seattle Mariners 110 420 71 146 231

Pan American Games

Gold Medalists
(American)
200 Meter Breaststroke: Jeff Kubilo, U.S.
400 Freestyle: Paul Robinson, U.S.
800 Freestyle: United States (Scott McCann, Scott Brackley, Paul Robinson, Todd Dudley)

Transition

BASEBALL
AMERICAN LEAGUE
BALTIMORE — Placed Ken Gribble, outfielder, on the 15-day disabled list. Reassigned Mike Hart, outfielder, from Rochester of the International League.

Thursday's Major League Line Scores

AMERICAN LEAGUE
Cleveland 101 206 100-71 0
Minnesota 100 205 98-73 1
WFL (1) Boston 100 204 97-74 0

Major League Standings

AMERICAN LEAGUE
East Division
Toronto 48 47 .501
Detroit 46 46 .500
New York Yankees 45 45 .500

High and Low

In a meet that she almost chose not to attend, Jackie Joyner-Kersey tied the world long jump record of 24 feet, 5 1/2 inches Thursday night at the Pan American Games in Indianapolis.

Football

CFL Standings
EASTERN DIVISION
Winnipeg 10 1 0 .909
Edmonton 8 3 1 .727

Football

NFL Preseason
EXHIBITION RESULTS
Kansas City 23, Houston 10
L.A. Rams 23, Seattle 14

Tigers Down Royals As Morris Finds Control of Pitches

Compiled by Our Staff From Dispatches
KANSAS CITY, Missouri — The Kansas City Royals didn't have much of a chance to extend their four-game winning streak once Jack Morris found out he was in control of all of his pitches.

Day Game Set For World Series

WASHINGTON — In a return to tradition, a World Series game is scheduled to be played during the day in the fall classic.

BASEBALL ROUNDUP

struck out 11 as the Detroit Tigers beat the Royals, 4-1, Thursday night. "It's the first time in a long time that I've thrown all four of my pitches and had a pretty good idea of where they were going," he said.

SPORTS BRIEFS

Wharton Sets 400-Meter Medley Mark
BRISBANE, Australia (Reuters) — Dave Wharton of the United States broke the world record in the 400-meter individual medley Friday at the Pan Pacific Swimming championships here.

Blind Sailor Weathers Storm at Sea

ST. GEORGE'S, Bermuda (UPI) — Jim Dickson, attempting to become the first blind sailor to cross the Atlantic, fought through storm and waves for a rendezvous with a pilot boat Friday on the way to Bermuda to repair vital equipment and rest from days in heavy seas.

For the Record

The Soviet national baseball team played its first game Thursday and lost, 22-0, to a Nicaraguan team in the Ukrainian capital of Kiev, Tass news agency reported. Tass said the Soviets "at least managed to prevent the guests from scoring points in two innings."

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